

Washington County Service Authority Board of Commissioners
January 24, 2011 Regular Meeting Minutes

The regular meeting of the Washington County Service Authority Board of Commissioners was called to order by the Chairman at 7:01 PM.

ROLL CALL

Commissioners Present:

Mr. Joe Chase, Chairman
Mr. D.L. Stout, Vice Chairman
Mr. Prince Coleman
Mr. Devere Hutchinson
Mr. Dwain Miller (Note: Arrived Late)
Mr. Frank Stephon, IV
Mr. Kenneth Taylor

Staff Present:

Robbie Cornett, General Manager
Kimberly Harold, Controller
Amanda Paukovitz, Administrative Assistant
Doug Canody, Engineering Services Manager
Mark Osborne, Technical Manager

Consultants Present:

Bobby Lane, PE, The Lane Group, Inc.
Kevin Heath, PE, Adams-Heath Engineering
Randall Hancock, PE, Draper Aden Assoc.
Matthew Lane, PE, The Lane Group, Inc.

Also Present:

Mr. Mark Lawson, General Counsel
WCSA Employees

3. Approval of the Agenda

Mr. Cornett had no additions or corrections to the agenda.

Mr. Stout made the motion to approve the Agenda. Mr. Stout's motion was seconded by Mr. Coleman and was approved by a 6-0-0-1 vote of the Board (Note: Mr. Miller was not present for the vote).

4. Public Query & Comment

Edward Cozart, Business Owner

Mr. Cozart explained that he owns various buildings around town, mostly warehouses; some of these facilities have sprinkler systems. He feels WCSA's

sprinkler system charge has a very aggressive inflation mechanism built in to it. He wanted to bring this to the attention of the Board. One single building had a monthly charge before July 1 of \$143. This past July, the charge rose to \$243. It will increase to \$413 next year and in 2013, it will cost \$689/month; this does not include usage of any kind. For that one building, he will pay \$8,269/year. He feels this is "unbelievable". Mr. Cozart wondered if it is true that there are not fire suppressing charges for any fire hydrants, both residentially and for other businesses. Mr. Cornett explained that presently, there is not a fee charged for hydrants throughout the distribution system. Mr. Cozart feels that, "Water is water. If there is a cost involved for fire hydrants in neighborhoods, they have to have capacity just like a building does. Why is all the responsibility being put on buildings with sprinkler systems and nowhere else?"

(Note: Mr. Miller is now present.) Mr. Stout asked Mr. Cornett for the details. Mr. Cornett expressed that WCSA Staff has discussed fee implementation in the past. He noted that we can look into this and further evaluate. When asked by Mr. Stout, Mr. Cornett clarified that if the sprinkler system were triggered by a fire, the customer would not be billed for the water used; fire lines are unmetered connections to the WCSA system. Also, the 12" fire suppression line to a warehouse is part of a five year charge implementation process, as presented by MFSG, in accordance with AWWA Standards of Capacity on a System. When asked by Mr. Chase, Mr. Cozart expressed that he has spoken with Mr. Cornett and he understands inflation;

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however, the charge is increasing by thousands of dollars annually.

Mr. Hutchinson asked Mr. Cozart how long he has had the sprinkler system in the warehouse. Mr. Cozart explained that it came with the building when he bought it 20 years ago. He reviewed the charges for Mr. Hutchinson and expressed that they have never been anything like this before now.

When asked by Mr. Hutchinson and Mr. Cozart, Mr. Cornett affirmed that WCSA had a fee previously, but it was minimal. These charges reflect a phased in five year implementation, as recommended by MFSG in 2009.

Mr. Hutchinson asked if Mr. Cozart has sought out savings from his insurance company due to these fire prevention systems; Mr. Cozart affirmed that he can receive a better rate in some instances. He explained that this particular fire line has a bigger diameter than others. The other fire lines still have charges, just not to this degree. He does not find it fair to put all responsibility on those who own buildings with sprinkler systems, opposed to homes with fire hydrant access as well.

Mr. Chase asked how many warehouses Mr. Cozart owns, to which he answered six. He feels this is one of the problems with the US; costs are so high that industry does not stay. Mr. Chase asked him what the warehouses are used for. Mr. Cozart expressed that the facilities are typically used for commercial/ industrial storage. When asked by Mr. Chase, Mr. Cozart affirmed that the facilities do generate income. Mr. Chase thanked Mr. Cozart for his comments.

5. Approval of the Consent Agenda

- Minutes: December 27 Regular Meeting.

- Routine Reports for December 2010.
- Financial Statement for December 2010.
- Check Register and General Manager Financial Report for December 2010.

Mr. Taylor made the motion to approve the Consent Agenda with no changes. Mr. Taylor's motion was seconded by Mr. Hutchinson and was approved by a 7-0-0-0 vote of the Board.

6. Engineer's Report and Update

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)**

Have a coordination meeting scheduled for February 1 with the three contractors; all work should begin between now and the end of February (before the next meeting).

- **Galvanized Line Replacement Project, Phase 1**

There are three contracts: Division 1- Glade Spring, Division 2- Lowry Hills and Division 3- Town of Abingdon. Classic City Mechanical (the contractor for Contracts 1 & 2) will begin work later this week. The contractor for the Town of Abingdon is to begin work in February. All contractors are to have their work underway.

- **Reedy Creek Road Water Improvements**

At the last meeting, they requested WCSA authorize permission to advertise the project for construction bids. VDH has not yet provided permission yet (due to employees out of the office for vacation, sickness, etc.). As soon as permission is received, they will proceed with the advertisement.

- **WCSA Administration Building**

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The contractor is getting along well and is doing a pretty good job of getting the work done, staying out of way, etc. In the contractor's contract, there was a roof repair task in the valleys of the existing roof. With the recent snow and rain, they have seen leaks develop in other parts of the building. In reviewing, they are concerned that if they proceed with the repair, 1) it will not fix all of the leaks, and 2) the alterations will be pretty temporary in nature. Mr. Lane has talked this over with Mr. Cornett and the contractor. He recommends: 1) they remove the roof repair from the contract (a credit of about \$8,000) and 2) WCSA authorize to proceed with plans and specifications to reroof the building with a new, 24 gauge metal roof with a 20 year warranty. Due to the roof's pitch, this is what they need to do; the new metal roof has an estimated cost of \$70,000. They had planned to do a new roof if and when WCSA does Phase 2 of the work. However, Mr. Lane believes that proceeding with a whole new roof is the best thing to do. Again, the roof would have an estimated cost of about \$68,000. He asked the Board to consider taking action when he finishes his report.

- **Western Washington County Sewer Study**

They have a meeting this Wednesday to discuss options. They plan to finish the study in March and present to the Board.

- **Western Washington County Water Study**

The study was approved by VDH. The task is complete, and unless the Board objects, he will remove it from the list. Mr. Lane offered to address any questions the Board may have.

Mr. Taylor asked where the brand new roof tie-point would be located. Mr. Lane explained it would have to overlap

on the new addition, which would have wasted part of the new roof. This is something they have considered prior. He believes they will have worse problems if they do not replace the roof now. With the snow we have been having, WCSA will continue to see the deterioration of the current roof.

Mr. Chase asked if the roof replacement would impact the current renovation. Mr. Lane expressed that no, it would not interfere with the current work, besides the fact that the contractor will not have the roof work to do. They have been keeping tabs on new leaks.

Mr. Stout asked if WCSA has a shingled roof right now. Mr. Lane expressed that yes, they were preparing to repair the shingled roof and have looked at expanding the repair. In talking to the contractor and architects, he cannot get a lot of confidence from either regarding a roof repair. The installation of the current roof was lacking, and will be difficult to fix. Mr. Lane is asking the Board for permission to advertise for bids. If WCSA chooses to not move forward, they can wait.

Mr. Hutchinson asked how old the existing roof is. Mr. Cornett explained that this is the second roof since 1995; it was installed in either 2000 or 2002. Mr. Lane noted that the pitch is not very steep. They have seen several things that show the installation was lacking. The product was good, but the installation was not. Mr. Hutchinson affirmed that installation will determine the quality of a roof, whether it is made of metal or architectural shingles. When asked if only a metal roof estimate was obtained, Mr. Lane expressed that they can do architectural shingles, but they also could bid both. Mr. Lane explained that everyone he talks to, including the

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contractor, says the metal roof is superior, especially for a building with a pitch like ours.

Mr. Miller asked how the contractor has come in to date compared to the budget; Mr. Cornett affirmed he is very close. Mr. Chase inquired what the staff recommends; is it to remove the roof repairs from the contract and include plans and specs for a new metal roof? Mr. Cornett affirmed that to be the staff's recommendation. He noted that for many years, the staff has been concerned about the roof. The second roof resulted in the replacement of a lot of plywood; he could see the same situation happening again. Mr. Cornett does not think roof repairs are going to get us what we need. He is afraid the \$8,000 in the current contract would be spent and still would not fix the problem.

Mr. Stout made the motion to remove the roof repair from the current contract and advertise for bids for a metal roof, estimated at \$68,000-70,000. Mr. Stout's motion was seconded by Mr. Coleman. Mr. Stephon asked if we should advertise for singles as well. Mr. Hutchinson affirmed that architectural shingles can be just as expensive. Mr. Stout expressed that due to the pitch, his opinion is the new roof needs to be metal. Mr. Hutchinson believes that the installation of the metal roof will determine whether or not it will be successful. Mr. Stout edited his motion to include the best architectural shingles in the bid as well; Mr. Coleman seconded Mr. Stout's altered motion. The altered motion was approved by a 7-0-0-0 vote of the Board.

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

- **Whites Mill Road Improvements**

The Notice to Proceed started January 10. The contractors have been able to start work; some have started mobilizing. There has been little progress made due to weather. The first progress meeting is scheduled for tomorrow. Contractors are officially under contract and crews are working; they hope the weather holds up so they can make progress soon.

- **Orchard Hill Road Improvements**

This is the final report for this project. The contractor's final pay request has been processed and all necessary close out documents have been completed.

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

- **Route 58 Water Storage Tank**

Contract 1 (grading) is underway; the weather has not allowed for much progress. Some water line has been installed, minus some tie-ins. Contract 2 (tank construction) plans to move in during March when the weather changes.

- **Exit 13, Phase 1 Sewer Project**

They had received permission to advertise last month. DAA should get the final approval permits next week to proceed. The Corps of Engineers has everything ready to issue the needed wetlands permit; there are a couple other clearances needed. They have submitted plans to RD and hope to have their approval next week. They also hope to have RD certification soon.

- **Exit 14 Interceptor**

Plans were submitted to the Town of Abingdon (TOA) in December; they have received a few comments back. They also submitted plans to BVU (as WCSA has to cross lines with them); BVU was able to locate the line and

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survey this past week. DAA resubmitted plans to the TOA and WCSA today. They hope to have bids ready shortly.

7. Water & Wastewater Construction Projects Report and Update

Mr. Canody referred the Board to the Engineering Board Book Report, printed on purple paper. He provided the following updates:

- **Chestnut Mountain Road**

The Notice to Proceed has been issued to both contractors. A stream crossing has been completed and the loan was closed on December 30.

- **Nordyke Road**

Project has been added to the list, as WCSA has accepted VDH's funding.

- **Rich Valley Road/Maiden Creek Road Project**

Crosspointe is about 36% complete in 40% of the time; they are a little behind due to the weather. The status meeting this week with Crosspointe is to talk about getting them back on schedule.

- **Rich Valley Road/Litchfield Road**

Little B is about 95% complete and the lines have water in them. They have started or will start testing the lines soon.

- **Rich Valley Road/Whites Mill**

The project has been added to the list, as WCSA has accepted VDH's funding. This project includes 20 miles of water line done completely by in-house staff.

- **Sutherland**

Acquisition of easements is ongoing; they have had many issues with the environmental agencies. They are waiting to hear back from the Tennessee and Virginia Forest Services to find out which agency is going to administer that portion of the project.

- **Tumbling Creek South**

This project has been added to the list, as WCSA has formally accepted VDH's

funding. The loan was accepted at the Board's advising last meeting.

- The Engineering Staff is involved with each project being completed by outside engineers in many different aspects. As the projects increase, so does their workload.

- **Oak Park Phase 4**

This phase will tie the rest of Oak Park back to Lee Highway where the waterline starts. The project has been reviewed by WCSA; they have received comments back from the developer.

- **Procurement for Outside Services**

Mr. Stephon and Mr. Miller, joined by five members of WCSA Staff, interviewed firms for the Damascus Wastewater Acquisition Study. They have interviewed the three firms that were shortlisted. Subsequent to discussion, the interview process was very enlightening. The purpose of the interviews was to rank them in order of negotiating a contract. The unanimous recommendation of the two WCSA Commissioners, five members of WCSA Staff and two councilmen from the Town of Damascus agreed that the ranking be as follows:

- 1) The Lane Group with Olver, Inc.
- 2) Anderson & Associates
- 3) Smith, Seckman & Reid with Mattern & Craig.

Mr. Canody explained that upon approval, they will negotiate with the top ranked firm and if unable, they will proceed to the second ranked firm, and so on. On behalf of the procurement committee, he asks that the Board endorse this ranking and if so, they will proceed once the Town of Damascus has the same procession; Mr. Cornett referenced an orange tabbed resolution for the Board's consideration.

Mr. Stephon expressed that through

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thorough review, he recommends the shortlist. Mr. Miller had no further comments.

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

8. General Manager's Report & 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 December:

Water Production

- Produced over 208 million gallons of drinking water.

Distribution

- Coordinated the outside purchase of more than 24 million gallons of drinking water, bringing the total to about 7.4 million gallons per day. Note: this was the second highest month in 2010, as far as total production is concerned.

Meter Department

- 138 customers were telephoned following unusually high usage.
- 33 meters were lifted for non-payment.

Customer Service

- Little more than \$8,700 was abated for 67 customer water leaks.
- More than \$3,800 was written off as bad debt three years old.
- 3 water taps and 0 wastewater taps were applied for.
- Handled 115 reconnections/transfer of service requests in the last month.
- Late charges were added to over 4,700 accounts.

Maintenance

- Repaired 25 leaks (erroneously read as 26) and 6 major breaks.
- Constructed 2 water taps.
- Responded to 54 after hour call-outs.

Wastewater

- Treated little more than 10 million

gallons of wastewater in the last month.

Accounting

- Continues to pursue the Debt Setoff Collection Program. Progress remained unchanged, but there will be movement this upcoming month.
- Accounting has pursued updating WCSA's Rate Model, procurement of uniforms, Lift for Non Payment Policy Research (which will be addressed in a later agenda item) and Equivalent Residential Unit User Policy Implementation (which has brought about additional work).

Administrative Items

- Mr. Cornett would like to recognize WCSA's Maintenance, Drinking Water and Distribution Departments for their work in repairing a mainline break at the Middle Fork DWP and to ensure an uninterrupted supply of drinking water to the water plant in early January. This break resulted in the lowest overall water levels in our water storage tanks in recent memory.
- Mr. Cornett has continued to develop a presentation for the Washington County Economic Development Committee (EDC). The purpose of this effort is: 1) to better inform the Supervisors and IDA of WCSA's system fee, and 2) allow them the opportunity to purchase water and/or sewer capacity before entertaining industrial prospects.
- The month of December saw no change in our non-residential connection fees that are either pending or paid for.
- Mr. Cornett also noted an updated Activities Report for the Board's review. Notable items were as follows:
 - New Water Connections are down from 2008 and 2009.
 - New Sewer Connections are up from 2009 (Note: this does not include Exit 13 Project).
 - The number and amount of abatements have risen each year since 2007.
 - Bad Debt Write-offs have decreased

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each of the past two years.

9. Consideration of the Following Amendments to the WCSA Draper Aden Associates Engineering Contracts for Exit 13 Phase 2 and 3 and Lowry Hills

Mrs. Harold noted that in the Board Books behind Tab #9, there is a copy of amendments that were submitted to WCSA by DAA. During June of last year, WCSA had begun preparing the DEQ application for project funding of Exit 13 Phase 2 & 3 and Lowry Hills. The information requested was data DAA could provide. On December 15, WCSA was notified that each project was funded by DEQ. DAA has requested WCSA consider paying them \$1,000 per project for their additional work. WCSA requested more information regarding their hours utilized to prepare these projects. At the time of our last meeting, this research was incomplete. WCSA has since found that DAA completed 29 hours at a total cost of \$3,190; however, DAA is only asking WCSA to reimburse \$3,000. This does still come out to the contracted amount of \$110/hour.

Mr. Taylor made the motion to amend DAA's contract to add \$1,000 per project, for a total of \$3,000 (see attached for amendments). Mr. Taylor's motion was seconded by Mr. Stephon and was approved by a Board vote of 7-0-0-0.

10. Consideration of the Appointment of a New Building Committee for the WCSA Administrative Building Addition

Mr. Cornett reminded the Board that at last month's meeting, they discussed a 2,500 square feet addition to accommodate overcrowding, which is anticipated to increase. There is a need

for the addition, as well as the funding. With further consideration, Mr. Cornett thought it would be better to reestablish the building committee so they can take time to thoroughly review the building process and report back to the Board, or hold a full Board workshop on the topic; either would be the most appropriate. If they concur, he would recommend the Board nominate two individuals to be on the committee (Note: the representatives formerly had been Mr. Coleman and Mr. Blaylock; Mr. Blaylock is no longer a Board member). Mr. Chase asked Mr. Coleman if he would be willing to stay on the committee; Mr. Coleman concurred. Mr. Chase inquired if anyone else would be willing to step in; Mr. Stout volunteered. Mr. Coleman and Mr. Stout are the New Building Committee Board Appointees.

11. Consideration of a Lift for Nonpayment Policy

Mrs. Harold noted that behind Tab #11 of the Board Books, WCSA Staff presented a consideration for change in the Lift for Non-Payment Policy. She read the following:

WCSA's current practice is to charge \$50 for a reconnection after the service has been lifted for non-payment (LNP) and an additional \$25 for an "after hours reconnection" for requests made after 4:00 PM. Our current practice also allows our meter technicians to collect payments in the field. Some cash payments received in the field have been as high as \$700. It is not surprising that the meter department has expressed concerns with having to collect cash and make change in the field, sometimes at 1 or 2 AM.

After careful and consideration, WCSA Staff would like to ask that the Board of

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Commissioners consider a policy in this area. They would like to propose the following:

WCSA only performs re-connections if the customer has paid by 3:00 PM on workdays for: the past due amount, penalties, and reconnect fees in full (to be in compliance with Bond Covenants) through our Customer Service Representatives (CSR) or by confirmed online payment. Any re-set requested between 3:00 and 4:30 PM could still be processed, but only if the additional \$25 (after hours) fee is paid. All re-set requests after 4:30 PM would wait for reconnection until the next business day once confirmed payment is made (through CSRs or online). Meter technicians would not be allowed to accept payments of any kind in the field. Or, for simplicity's sake, WCSA would eliminate the after-hours fee and not allow any re-sets after 3:00 PM. Mrs. Harold noted that WCSA expects the Board to be concerned about being customer-friendly, as we are too. However, at the LNP stage, the customer has received: two bills (since they have to be two months past due), a disconnect notice, and 1-2 phone calls, giving them ample opportunity to have paid during business hours.

She opened the floor for discussion. Mr. Stout expressed that he does not like meter technicians taking money in field, especially at night. Also, he feels the after hours connection fee could be eliminated and WCSA should only have to do reconnects during regular business hours. Mr. Cornett thinks for the wellbeing of WCSA employees, a policy reflecting such is in their best interest. He noted that our current practice is not the norm in the industry. Mr. Cornett does not think we will find many, if any,

utilities that do what WCSA does. Upon inquiry, Mrs. Harold clarified that regular disconnects fall on Wednesdays. Mr. Cornett expressed that WCSA tries to be cognizant of holidays and weekends; we have never had that run in. Mrs. Harold affirmed that very rarely does WCSA do disconnects on Fridays. Mr. Chase asked if anyone wanted to make the motion to approve the policy as outlined. Mr. Hutchinson made the motion to approve the policy. Mrs. Harold noted that "as outlined here" differs from what Mr. Stout recommended. He recommended the elimination of reconnects after hours, where the policy allowed for the charge of an after hours reconnection fee. Mr. Hutchinson expressed that he agrees with Mr. Stout; he does not think there should be any after hours reconnects. Mr. Stout feels WCSA provides plenty of opportunity and they do not need to do after hour reconnections, from a safety standpoint. Customers are going to be upset anyways, as they have had their water shut off, and reconnection can be made in daylight.

Mrs. Harold asked if Mr. Stout finds 3:00 PM a more agreeable cut-off time for payment. Mr. Stout believes that with cutoff by 3:00 PM, customers who do not make this deadline should wait for reconnection until the next business day. Mr. Hutchinson altered his motion to reflect Mr. Stout's suggestion; he moved to approve the amended policy. Mr. Hutchinson's amended motion was seconded by Mr. Stout and was approved by a Board vote of 7-0-0-0.

[Note: The approved policy is as follows: An account with a two months past due balance or older will be subject to a disconnection for non-payment. Any returned payment for an account being re-set due to non-payment will result in

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immediate termination of service. Each time a trip is made to disconnect service, the prevailing service trip fee will be charged to the account, and it must be paid in full before service can be restored. If a meter shows usage after we have disconnected service, there will be an unauthorized use fee charged to the customer's account. This will be charged per occurrence and must also be paid in full for the service to be restored.

Payment in full must be received in the Administrative Office before 3:00 PM for service(s) to be restored the same day. Otherwise, service(s) will be restored the next business day. Meter technicians will no longer be accepting payments in the field. All past due balances, penalties, and fees must be paid in full before the service(s) will be restored.]

Mr. Cornett thanked the Board and expressed that the Meter Department will be thankful for the Board's decision as well.

12. 2011-2010 Fiscal Year Budget, Rates, Fees and Charges Review

Mrs. Harold referenced two documents at the Board's stations. She expressed that the Staff's main goal at this meeting is to get the Board prepared to begin a full budget analysis in the next two months. Due to the advertising requirements, if WCSA needs to make adjustments to the rates, fees and charges for the upcoming year, we would need to make those changes by the March Board Meeting.

At this meeting, Mrs. Harold wanted to update the Board on the budget's progress and standings at this point. She noted that the budget is incomplete at this time. The departmental supervisors are currently developing their departmental and capital budget requests for submission this week. Doug Canody, Jack Garrett, Mark Osborne, Robbie

Cornett and [Kim Harold] had a meeting on January 6 to discuss the Capital Improvement Projects (CIP) in detail. She has updated those numbers [per their discussions] in the Board's packets. Mrs. Harold went on to provide a brief look of where the capital and departmental budgets stand through December 31. She referred to the first page of the handout with the green tab at the Board's stations, where they will see the water budget summary. Mrs. Harold noted that the first column of this sheet shows a budget summary through December 31. WCSA had budgeted to receive \$5.335 million in revenue by the end of December; \$5.7 million has been received to date, denoting a positive variance at this time.

She noted that all departments have kept their expenditures under budget to date, except the Chilhowie Regional Treatment Plant; some expenses are being reallocated to that department as WCSA sees them come through. Mrs. Harold wanted to provide a brief review of the year-to-date budget. WCSA is expected to bring in \$10.6 million in revenues for the year. The projection column takes the actual figures and projects them forward six more months. If activity continues as it has in the last six months, we are projected to be as expected by the end of June; WCSA is just barely under budget by about \$10,000. In looking at the departmental budgets, at the end of the projection line, WCSA anticipates \$1.2 million to contribute towards capital improvement projects for the year. The 2011-2012 Budget column is incomplete at this time; WCSA is still waiting on receiving more figures. According to the month-to-date budget for wastewater, WCSA is expected to

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have received \$702,000 in revenues. Through December 31, we have actually received \$731,000 in revenues, with a \$29,000 variance. Those departmental budgets are under budget as well, with a few pluses and minuses. In projecting the year-to-date budget (indicated by white columns) forward six months, with an expected \$1.4 million in revenue, WCSA anticipates having \$1.463 million in revenues by year end. As indicated by the bottom of the projection column, WCSA looks at having \$341,000 to go towards wastewater capital improvement projects.

Mrs. Roberts expressed that Staff wanted to provide the Board with a brief overview of where the budget stands at this time. She included for the Board's review the Departmental Capital Budgets, as they are being prepared. The CIP list has been updated with expenses to date through December, along with what has been budgeted year-to-date. She included the CIP budgets to date, along with projections and line item expenses for the Board's review. Currently, MFSG is reviewing WCSA's rate model that was prepared two years ago, with most debt being secured at this time. WCSA wants to have all figures plugged in to make sure the rates, fees and charges are where they need to be and that we are in compliance with our bond covenants; this is being prepared and updated by next month's meeting. She referred to her second handout, which includes graphs; that indicates where our revenues fall in connection with previous years. Mrs. Harold noted that there was a spike in sewer connections during December 2010. However, this is due to the Exit 13 tap fees being paid in advance. The spike levels out as time continues. Also, there

was a spike during August 2010 in water connections; this was due to the Johnston Memorial Hospital (JMH) connection being made. Mrs. Harold provided the previous years' detailed budgets so the Board could see where we have come in each of the previous years. Mr. Cornett reiterated that the information is still in the developmental stages at this point. He believes that at the February Board Meeting, Staff will have more details developed and will be better able to review and consider the budget, along with the rates, fees and charges. Mr. Cornett proposed for the Board's consideration a workshop prior to the February Regular Meeting to take a more in-depth look at the budget. However, Staff wanted to start the Board off and review what we have thus far. Mr. Stout asked for clarification of the date and time of the workshop. Mr. Cornett proposes that the workshop take place at 5:00 PM prior to the [February 28, 2011] Board Meeting.

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

At the request of Mr. Stout, Mr. Stephon read the following Closed Meeting Motion:

[Mr. Stout] 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, 2. To Discuss and Consider the Acquisition of Real Property, Code of Virginia § 2.2-3711 Paragraph (A) (6): Investment of Public Funds, 3. To Discuss Various Intermunicipal and Other Agreements, Code of Virginia § 2.2-3711 Paragraph (A) (7): Legal Advice, 4. To Discuss

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Potential Litigation, 5. To Discuss Various Inter-municipal and Other Agreements.

In addition to the Board, the presence of Mr. Mark Lawson, WCSA Counsel, and Mr. Robbie Cornett, WCSA General Manager, are requested.

Mr. Stout'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 8:11 PM.

Return to Public Session

Upon a motion by Mr. Miller, a second by Mr. Stout, and a 7-0-0-0 vote by the Commissioners, the Board returned to Public Session at 9:47 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.

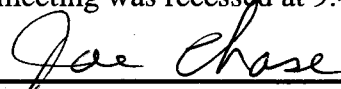
14. Late Items

There were no Late Items.

15. Adjourn or Recess

Mr. Cornett proposed that the Board consider recessing to February 28, 2011 at 5:00 PM to review and consider the 2011-2012 Fiscal Year Budget, Rates, Fees and Charges; dinner would be provided.

Mr. Stephon made the motion to recess the meeting. Mr. Stephon's motion was seconded by Mr. Stout and was approved by a 7-0-0-0 vote of the Board. The meeting was recessed at 9:48 PM.



Mr. Joe Chase, Chairman



Amanda Paukovitz, Assistant Secretary

**RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE
WASHINGTON COUNTY SERVICE AUTHORITY**

WHEREAS, the Board of Commissioners of the Washington County Service Authority along with the Town of Damascus Council designated a Procurement Committee for the purpose of 1) short listing and 2) interviewing firms who submitted a Statement of Qualifications for the Town of Damascus Wastewater System Acquisition Study and Report.

WHEREAS, the Procurement Committee shortlisted the firms of Anderson and Associated, Smith Seckman and Reid / Mattern & Craig and The Lane Group / Olver Incorporated for interview on Wednesday, December 22, 2010, and said shortlist was presented to and adopted by the Washington County Service Authority Board of Commissioners on Monday, December 27, 2010.

WHEREAS, the Procurement Committee interviewed the firms of Anderson and Associated, Smith Seckman Reid / Mattern & Craig and The Lane Group / Olver Incorporated for interview on Thursday, January 20, 2011 and subsequently and unanimously recommend for consideration the following ranking:

1. The Lane Group / Olver Incorporated
2. Anderson & Associates
3. Smith Seckman Reid / Matter & Craig

NOW, THEREFORE, BE IT RESOLVED that Washington County Service Authority, subject to the Town of Damascus agreeing to the same, proceed with negotiating a contract to provide the advertised services with the top-ranked firm, and if said negotiations are unsuccessful, negotiations with the second-ranked firm will take place, and if negotiations with the second-ranked firm are unsuccessful, then negotiations with the third-ranked firm will take place.

This is **EXHIBIT K**, consisting of 2 pages, referred to in and part of the **Agreement between Owner and Engineer for Professional Services – Task Order Edition** dated November 1, 2010

Amendment No. 1 to Task Order 09-09

1. Background Data:

- a. Effective Date of Task Order Agreement: November 1, 2010
- b. Owner: Washington County Service Authority
- c. Engineer: Draper Aden Associates
- d. Specific Project: Phase 2 – Rte 11/Oak Park Area

2. Nature of Amendment *[Check those that are applicable and delete those that are inapplicable.]*

- ☐ Additional Services to be performed by Engineer
- ☐ Modifications to Services of Engineer
- ☐ Modifications to Responsibilities of Owner
- ☒ Modifications to Payment to Engineer
- ☐ Modifications to Time(s) for rendering Services
- ☐ Modifications to other terms and conditions of the Task Order

3. Description of Modifications

Attachment 1, "Modifications"

Owner and Engineer hereby agree to modify the above-referenced Task Order as set forth in this Amendment. All provisions of the Agreement not modified by this or previous Amendments remain in effect. The Effective Date of this Amendment is November 1, 2010.

OWNER:

By:

Robert Cornett

Title:

Robert Cornett
General Manager

Date

Signed:

25 JANUARY 2011

ENGINEER:

By:

Randall Hancock

Title:

Randall Hancock, P.E.
Senior Project Manager

Date

Signed:

11/1/10

Modifications

1. For the Additional Services or the modifications to services set forth above, Owner shall pay Engineer the following additional or modified compensation:

Revised – Phase 2 – Rte 11/Oak Park Area Cost Breakdown/ Fee Schedule

Task Phase	Fee
Phase 2 A	\$2,700
Phase 2 B	\$1,630
<i>*Phase 2 B - 1</i>	<i>\$1,000</i>
Phase 2 C	\$2,650
Phase 2 D	\$800
Total	\$8,780

**Added Phase 2B-1 includes assistance for preparing SRLF applications to DEQ.*

2. The schedule for rendering services is modified as follows:

- N/A

Amendment No. 1 to Task Order 09-07

1. Background Data:

- a. Effective Date of Task Order Agreement: November 1, 2010
- b. Owner: Washington County Service Authority
- c. Engineer: Draper Aden Associates
- d. Specific Project: Foxfire/ McCray Drive

2. Nature of Amendment [*Check those that are applicable and delete those that are inapplicable.*]

- ☐ Additional Services to be performed by Engineer
- ☐ Modifications to Services of Engineer
- ☐ Modifications to Responsibilities of Owner
- ☒ Modifications to Payment to Engineer
- ☐ Modifications to Time(s) for rendering Services
- ☐ Modifications to other terms and conditions of the Task Order

3. Description of Modifications

Attachment 1, "Modifications"

Owner and Engineer hereby agree to modify the above-referenced Task Order as set forth in this Amendment. All provisions of the Agreement not modified by this or previous Amendments remain in effect. The Effective Date of this Amendment is November 1, 2010.

OWNER:

By:

Robert Cornett
General Manager

Date

Signed:

25 JANUARY 2011

ENGINEER:

By:

Randall Hancock, P.E.
Senior Project Manager

Date

Signed:

11/1/10

This is **Attachment 1**, consisting of 1 page, to Amendment No. 2, dated November 1, 2010, Task Order No. 09-09.

Modifications

1. For the Additional Services or the modifications to services set forth above, Owner shall pay Engineer the following additional or modified compensation:

Revised - Fire Fox Cost Breakdown / Fee Schedule

Task Phase	Fee
Phase 2 A	\$2,900
Phase 2 B	\$1,720
<i>*Phase 2 B - 1</i>	<i>\$1,000</i>
Phase 2 C	\$2,650
Phase 2 D	\$800
Total	\$9,070

*Added Phase 2B-1 includes assistance for preparing SRLF applications to DEQ.

2. The schedule for rendering services is modified as follows:

- N/A

This is **EXHIBIT K**, consisting of 2 pages, referred to in and part of the **Agreement between Owner and Engineer for Professional Services – Task Order Edition** dated November 1, 2010

Amendment No. 1 to Task Order 09-08

1. Background Data:

- a. Effective Date of Task Order Agreement: November 1, 2010
- b. Owner: Washington County Service Authority
- c. Engineer: Draper Aden Associates
- d. Specific Project: Lowry Hills Sewer System

2. Nature of Amendment [*Check those that are applicable and delete those that are inapplicable.*]

- ☐ Additional Services to be performed by Engineer
- ☐ Modifications to Services of Engineer
- ☐ Modifications to Responsibilities of Owner
- ☒ Modifications to Payment to Engineer
- ☐ Modifications to Time(s) for rendering Services
- ☐ Modifications to other terms and conditions of the Task Order

3. Description of Modifications

Attachment 1, "Modifications"

Owner and Engineer hereby agree to modify the above-referenced Task Order as set forth in this Amendment. All provisions of the Agreement not modified by this or previous Amendments remain in effect. The Effective Date of this Amendment is November 1, 2010.

OWNER:

By:

Robert Cornett

Title:

General Manager

Date

Signed:

25 JANUARY 2011

ENGINEER:

By:

Randall Hancock, P.E.

Title:

Senior Project Manager

Date

Signed:

11/1/10

Modifications

1. For the Additional Services or the modifications to services set forth above, Owner shall pay Engineer the following additional or modified compensation:

Revised - Lowry Hills Sewer System Cost Breakdown / Fee Schedule

Task Phase	Fee
Phase 2 A	\$5,425
Phase 2 B	\$2,360
<i>*Phase 2 B - 1</i>	<i>\$1,000</i>
Phase 2 C	\$2,800
Phase 2 D	\$1,000
Total	\$12,585

**Added Phase 2B-1 includes assistance for preparing SRLF applications to DEQ.*

2. The schedule for rendering services is modified as follows:

- N/A