

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

The regular meeting of the Washington County Service Authority Board of Commissioners was called to order by the Vice Chairman at 7:03 PM.

**ROLL CALL**

Commissioners Present:

Mr. D.L. Stout, Vice Chairman  
Mr. Prince Coleman  
Mr. Devere Hutchinson  
Mr. Dwain Miller  
Mr. Frank Stephon, IV  
Mr. Kenneth Taylor

Commissioners Absent:

Mr. Joe Chase, Chairman

WCSA Staff Present:

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

Consultants Present:

Bobby Lane, PE, The Lane Group, Inc.  
Kevin Heath, PE, Adams-Heath Engineering  
Stevie Steele, PE, Anderson & Associates  
Matthew Lane, PE, The Lane Group, Inc.

Also Present:

Mrs. Dawn Figueiras, General Counsel  
WCSA Employees

**3. Approval of the Agenda**

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

Mr. Taylor made the motion to approve the Agenda. Mr. Taylor's motion was seconded by Mr. Hutchinson and was approved by a 6-0-0-1 Board vote.

**4. Public Query & Comment**

*Mitchell Crabtree,  
Crosspointe Contracting*

Mr. Crabtree of Crosspointe Contracting is the contractor for the Rich Valley Road/Maiden Creek Road Project. He

distributed a handout to the Board. He summarized his experience thus far and approached the Board to request the addition of 20 days to his contract time. Mr. Cornett explained that Mr. Osborne is prepared to provide the Board a more detailed report of WCSA's findings later in the meeting. The Board agreed to have Mr. Osborne provide the report during the Engineering Report and Update. Mr. Stout inquired if they needed to pass a motion and/or appoint a committee. Mrs. Figueiras felt it was important to hear Mr. Osborne's report before the Board proceeds with any action; otherwise, action would be premature. Discussion erupted amongst the Board and Mr. Crabtree.

Mr. Stout affirmed that the Board would take this matter up at a later time, and someone would contact Mr. Crabtree; Mr. Crabtree thanked the Board.

**5. Approval of the Consent Agenda**

- Minutes: August 22 Regular Meeting, August 22 Recessed Meeting (Held on 9/26/11) & September 26 Regular Meeting.
- Routine Reports for September 2011.
- Financial Statement for September 2011.
- Check Register and General Manager Financial Report for September 2011.

Mr. Miller made the motion to approve the Consent Agenda. Mr. Miller's motion was seconded by Mr. Hutchinson and was approved by a 6-0-0-1 vote of the Board.

**6. Engineer's Report and Update**

*Mr. Bobby Lane of The Lane Group, Inc. (TLG) reported on the following projects:*

- **Drinking Water Treatment Plant**

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**Expansion (6.6 MGD to 12 MGD)  
and Raw Water Intake**

The Raw Water Intake Contractor is now working in the water for the actual intake and continues to work on the structure. They have had some electrical problems with Appalachian Power Company on the water plant; they are currently working through this issue.

- **Bristol Area Water Restructuring Project**

They received and opened bids today. The Lane Group will make a recommendation as a late item.

- **Exit 13 Sewer Project Phase 1**

A funding commitment from RD has been received for the overrun and Mr. Cornett has signed the Notices of Award. The contractor is compiling their info.

- **Exit 14 Project**

They continue to work on final design.

- **Galvanized Line Replacement Project**

The project continues to move forward. They are finished with the Glade Spring Contract and are close to being finished with the Lowry Hills Contract; there is approximately \$250,000 remaining in the budget. TLG will be coming to the Board, requesting they authorize the contractor to proceed with additional line replacement.

Boring Contractors (Abingdon Contract) has requested permission to shut down the project during the winter months due to unavailability of asphalt for road restoration. The necessary work needs to be complete prior to the shutdown. There needs to be a specific shut down and restart date. The contractor will also need to be available to address warranty related information. TLG believes this is in the best interest of WCSA and Abingdon residents; continuation could provide hardship for customers. The

Board would need to authorize Mr. Cornett to execute a shut down order, as it would be an alteration to the contract. Mr. Lane noted that they are working with Mr. Jones to finalize an exact date prior to the shutdown.

Mr. Taylor made the motion to authorize Mr. Cornett to allow [Boring Contractors] to shut down their project for the winter. Mr. Taylor's motion was seconded by Mr. Coleman and was approved by a 6-0-0-1 vote of the Board.

- **Interim Water Treatment Plant Expansion (4.6 MGD to 6.6 MGD)**

They got the fourth filter on line and it is functioning properly. The finished water pump station is nearing completion. Less the power outage, we would be ready to treat 6.6 MGD within the next few days. They hope to resolve this very soon.

- **Mid Mountain System Improvements Preliminary Engineering Report (PER)**

With the assistance of WCSA Staff, they have completed flow and pressure tests within the system. They are utilizing hydrant testing information and hope to meet with WCSA Staff this week to discuss analysis results and further evaluate alternatives.

- **Reedy Creek Road Project**

They have issued the Notice to Proceed. One contractor is on the job working; the other is to begin work next week. Construction should be well underway by the November Board Meeting.

- **Damascus Sewer Study**

The study is moving towards completion. Mr. Osborne and Matthew [Lane] completed night flow measurement to examine the flow efficiency. They received really good data from their work. The study is being wrapped up and they hope to make the findings available to the Town of

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Damascus and WCSA during December.

- **Western Washington County Sewer Study**

TLG is working with Mr. Cornett and the IDA to finalize an application to the Tobacco Commission for funding implementation of Phase 1.

- **Hidden Valley Road**

They have met with Mr. Cornett and Staff to have a scoping meeting. They think this project would be a good candidate for a DHCD planning grant; TLG is pulling together an application.

*Mr. Kevin Heath of Adams-Heath (A-H) Engineering reported on the following projects:*

- **Abingdon Storage Tank Study**

They are compiling background information so they can move forward.

- **Green Springs Road Waterline Replacement**

A-H started field surveying and plan to be completed this week to start plans.

- **Whites Mill Road Improvements**

They currently have three contracts open; two of which (booster station and tank) have been essentially complete for sometime, but are waiting on the line work to be completed before issuing substantial completion (SC). At the last Board meeting, Mr. Heath reported that the contractor still has sections of line along Chip Ridge Road remaining, which they have been working towards in the last month. As of today, they have still not tested from the pump station all the way out to the tank. We are running over on construction time for that particular contract, which is holding up SC on the other two. There is a progress meeting scheduled for tomorrow and Mr. Heath has asked Tipton to be able to address a better time frame to get that first section SC and final completion for

the overall project. They are lacking 8-9,000' of pipe to lie in the ground, along with testing, switchover and connections. There is still a fair amount of work to be completed. Mr. Heath plans to address these issues at the meeting tomorrow. From their standpoint of RPR services, he has not asked for anything additional at this point. If the project is still under construction next month, A-H will have to request consideration.

*Mr. Stevie Steele of Anderson & Associates (A&A) reported on the following project:*

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

At the last meeting, the Board approved an amendment for Phases 2 & 3. A&A has evaluated those additional areas. They are ready to do takeoff on each area to allow Staff to evaluate cost per connection. With that information, they will be able to tell WCSA the needs of each area. All of this will occur ahead of field meetings so Staff and A&A are made fully aware of issues before getting residents' hopes up for service.

*On behalf of Mr. Jay Lester of Draper Aden Associates (DAA), Mr. Cornett provided the following update:*

- **Route 58 Water Storage Tank**

DAA has been working with WCSA Staff and the contractor to resolve issues of contract time and contract price. Since that has not yet been reconciled, Mr. Cornett encouraged Mr. Lester to stay home tonight. They hope to have this issue wrapped up by the November Board Meeting.

## **7. Water & Wastewater Construction Projects Report and Update**

Mrs. Helbert referred to the Engineering Report in the Board Books, printed on

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purple paper. She provided the following updates:

- **Rich Valley Road/Maiden Creek**

The meters have been put into place and the project has been put online.

Mr. Osborne later added that the Rich Valley Road/Maiden Creek and Rich Valley Road/Litchfield Projects are in operation and are functioning well.

- **Chestnut Mountain Road**

The meters have been put into place and the project has been put online.

- Mr. Osborne referred to a memo and noted Mr. [Mitchell] Crabtree's previous requests (for additional time) to the Board regarding the Rich Valley Road/Maiden Creek Road Project. He read the following:

As [the Board knows], Crosspointe Contracting, Inc. (the Contractor) was successful in acquiring the WCSA project known as Rich Valley Road/Maiden Creek Water System Extension (the Project). This Project was awarded by the Board to the Contractor August 16, 2010 and the Notice to Proceed was issued September 22 [2010]. The Contractor began work on the Project on September 20, 2010, eight days after the Notice to Proceed. Overall, the work accomplished by the Contractor has been good. However, the Contractor's allotted time according to the contract has expired and for that reason, he has asked for additional time earlier in meeting. Enclosed for your reference is a letter (the Letter). As you may recall, during the August 2011 Board Meeting, [Mr. Osborne] provided [the Board] with a similar memo, which addressed a previous letter received by WCSA from the Contractor requesting additional days. During that Board Meeting, WCSA Staff recommended that the Board grant 70 additional days to the contract time, making the substantial completion date August 28, 2011. The Board concurred with the Staff's recommendation and provided the Contractor 70 additional days. The Contractor attained substantial

completion on September 26, 2011 and final completion on October 4, 2011. WCSA received a second letter requesting additional time and a third letter on September 29 [2011] (which was to replace the second letter per the Contractor's request). The letter requested the balance of the days the Contractor was over his contract time be added (which would be a total of 29 days) due to inclement weather, additional work items, and "extremely hard and very abrasive" rock on Maiden Creek. After receiving the Letter, WCSA Staff, i.e. April Helbert, Robbie Cornett and [Mark Osborne] have reviewed, discussed and considered the number of additional days reasonable entitled to the Contractor, above what was previously provided, based on the latest request. Our findings are as follows:

- Inclement weather days **2 days**
- Installation of additional stream crossing **3 days**
- Installation of 617' of 6" water line (above bid quantity) **2 days**
- Reconnection of three existing meters **1 day**

**TOTAL 8 DAYS**

[The Board] will note in the letter attached [to Mr. Osborne's memo], the Contractor mentions weather days, additional stream crossing, additional water line, switchover of existing meters, and "extremely hard and very abrasive rock" as the cause of the delays. In our evaluation, the Contractor is due additional time for weather days, the [additional] stream crossing, [additional] water line, and switchover of existing meters, but in Staff's opinion, is not due any time for what the Contractor classifies as "extremely hard and very abrasive rock". Although, Staff agrees additional time for these items is justified, upon review of the time requested, WCSA Staff does not concur with the amount of time requested. The following explanation is offered for justification of time requested by the Contractor versus time recommended by WCSA Staff:

- Inclement weather days- Contractor

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requested 5 weather days; WCSA Staff recommends 2 inclement weather days. Of the days requested, three were Saturday, Sunday and Monday of Labor Day Weekend. WCSA RPR [Resident Project Representative] asked the Contractor if he would like to work the holiday weekend (Saturday and Monday), as he would be off the road and therefore, VDOT would have no jurisdiction. The Contractor declined, stating his employees wanted the weekend off as well. In addition, there was no rain on Saturday.

- Stream Crossing- Contractor requested 4 days; WCSA Staff recommends 3 days. The stream crossing in question did take 4 days to complete. However, further conversations with both the Contractor and WCSA RPR concluded that the crossing took 4 days because equipment was broken.
- Additional water line- Contractor requested 10 days; WCSA Staff recommends 2 days. Based on previous documentation from the contractor stating he bid the project based on installing 600 feet/day for water line off road and 300 feet/day for water line on road. Assuming all 617 linear feet (LF) of additional line is on road, the additional time needed would be approximately 2 days.
- Meter reconnections- Contractor requested 1 day; WCSA Staff concurs.

We would like to remind the Board that the Project was bid as "unclassified", which means that it is up to each contractor to evaluate the conditions and bid the project accordingly. Moreover, though the Contractor claims the "extremely hard rock" was limited to Maiden Creek, the contractor (Little B) for the [Rich Valley Road/] Litchfield Project who began construction of the adjoining project (which ended/began at Maiden Creek) at the same time had no trouble with the rock and substantially completed their work in February (nearly four months ahead of schedule). Little B

installed approximately 28,000 LF of water line, two pressure reducing stations, and all water line related appurtenances in approximately five months; the Notice of Award and Notice to Proceed dates were the same for both contractors, as was the contract time. The Maiden Creek project did have approximately 2,000 feet more water line than the Litchfield project. However, Little B averaged 185 feet per day and Crosspointe has averaged 90 feet per day (which is a little under half). Allowing more time for the claim of "extremely hard rock" establishes a dangerous precedent for the future, thus our reasoning for not recommending more time.

Though the Contractor has faithfully been "on-the-job" since September 30, 2010, it has been our observation that he has neither had the equipment nor manpower necessary to complete the Project on time. The Contractor has had 1-2 crews (typically one crew) working on the Project, though the Project would accommodate more. Also, compared to the adjoining project, the Contractor has installed 95 feet per day less than Little B. Additionally, WCSA RPR has documented more than 14 [work] days in which the contractor's equipment was inoperable/broken down with no one on site. For these reasons, we are concerned that the Contractor underestimated the amount of equipment and manpower necessary to perform the work required by the contract.

The Letter references Section 4.03 in the Contract Documents, which discusses Differing Subsurface or Physical Conditions. A copy of this section of the General Conditions of the Contract is attached [to Mr. Osborne's memo distributed at the meeting], as mentioned earlier. According to previous conversations with the Contractor, he is specifically referencing 4.03 A.4., in his request for additional time (as highlighted), stating that the rock encountered on Maiden Creek is of an unusual nature and differs materially from conditions ordinarily encountered. This section of the General Conditions clearly states, in part, that if the Contractor

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believes that any subsurface or physical condition uncovered or revealed is of an unusual nature, and differs materially from conditions ordinarily encountered, then the Contractor shall promptly after becoming aware thereof and before further disturbing the subsurface or physical conditions, or performing any Work in connection therewith, notify the Owner and Engineer in writing about such condition(s). Contractor shall not further disturb any condition or perform any work in connection therewith (except as aforesaid) until receipt of written order to do so. Section 4.03 C.2.c. states in part that the Contractor shall not be entitled to any adjustment in the Contract Price or Contract Times if the Contractor failed to give the written notice, as required. Based on the fact the Contractor did not provide written documentation until construction was complete, the Contractor is not entitled to any additional time under this Section of Contract Documents.

We would also like to remind the Board that even if the Contractor had provided proper notification, there is still the issue of the project having been bid as "unclassified". Moreover, the Contractor has offered no evidence, other than his inability to excavate in a timely manner, to support his claim that the rock encountered was of an unusual nature and different material from conditions ordinarily encountered. In other words, the Contractor provided no scientific evidence to show that the rock he encountered was any different than that encountered by Little B on the adjoining project or any other water project in Washington County; his claim is without basis.

It should also be noted that WCSA Staff has worked diligently with the Contractor in an effort to better accommodate the construction of the project. These efforts have included, but not been limited to, the relocation of a PRV vault, resulting in additional hydraulic assessment of the system, the relocation/realignment of four road crossings, the relocation of 600' of water line to a less rocky condition, the

relocation of a stream crossing, and the relocation of several fire hydrants, all of which resulted in WCSA securing and recording additional and revised easements at our cost.

The original substantial completion date for the Project was June 19, 2011. With the addition of 70 days added following the August 2011 Board Meeting, the substantial completion date is August 28, 2011. The Staff recommends the Board grant eight additional days be added to the contract time, for a substantial completion date of September 5, 2011; this addition would revise the final completion date to October 5, 2011.

If the Board concurs with the Staff's recommendation, the Contractor will be 21 days over the Contract Time allotted to reach substantial completion. Based on the Contract Documents, the Contractor will be responsible for liquidated damages for delay in the amount of \$6,300 (21 days at \$300/day). If the Board concurs, WCSA Staff will present a recommendation for liquidated damages at a later time during this Board Meeting.

Mr. Osborne offered to answer any questions the Board may have.

Mr. Taylor inquired if the additional 600' of line was on Maiden Creek Road. Mr. Osborne affirmed this and Mrs. Helbert clarified the project's details.

Upon Mr. Stout's inquiry, Mr. Cornett clarified there is a motion on the table with respect to contract time (eight additional days).

Mr. Hutchinson made the motion to grant the contract eight additional days. Mr. Hutchinson's motion was seconded by Mr. Stephon and was approved by a Board vote of 6-0-0-1.

After much discussion regarding whether or not to pursue liquidated damages totaling \$6,300, Mr. Taylor made a revised motion to appoint two Board Members to discuss the situation at hand in detail with WCSA Staff in more

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detail. Mr. Taylor's motion was seconded by Mr. Stephon, and was approved by a 6-0-0-1 Board vote. Mr. Stout appointed Mr. Miller and Mr. Stephon to represent the Board in such a way. Upon inquiry by Mrs. Figueiras, the Board concurred that the appointed Board Members are to report back to the full Board to make the final decision.

- Mr. Osborne distributed a handout, accompanied by maps, and presented the South Fork Bid Tabulation results. He explained the following:

In February of this year, WCSA witnessed a major line break on the 12" cast iron line in the South Fork of the Holston River, near the Damascus Sewer Treatment Plant. The main line break was caused by a tree trunk that severed the line in half. Levels of the stream at that time of year prohibited any type of expedient repair and resulted in a two month discontinuance of the waterline across the river. Fortunately, the area between Taylor's Valley and the line break, including the Town of Damascus and Alvarado, were able to be serviced by Reservation Spring in Taylor's Valley. The unfortunate side was that residue water could not be transferred north to the Middle Fork Water Treatment Plant and on into WCSA's Distribution System. Given the elevation difference between Taylor's Valley and the river where the line broke, high pressures are witnessed and given that the residue water could not make it into the system, the water was discharged at a pressure relief valve in Damascus, resulting in lost water and unfortunately lost revenue. Once the water levels of the river decreased, such that a temporary repair could be accomplished, WCSA's Maintenance Department installed a 6" aquamine inside of the 12" cast iron line, utilizing the 12" cast iron line as a casing pipe and the 6" aquamine to carry the water. They pumped concrete flowable fill between the 12" and 6" lines to better anchor the line until a more permanent repair could be

accomplished. Again, this repair was seen as temporary until WCSA could secure the necessary permit from VMRC [Virginia Marine Resources Commission] and solicit bids to construct a new 12" waterline across the river, tie in to the existing 12" cast iron on each side of the river and remove the existing 12" water line that is currently laying on the stream bed. It is proposed that the newly installed waterline be located 36 inches below the stream bed via open cut and encased in concrete to prohibit any additional breaks due to fluidized materials, i.e. tree trunks, boulders, etc. This was presented to VMRC in July for the purpose of obtaining a permit, which was granted in mid-September.

Subsequent to that, WCSA Distribution Staff advertised the project for bid on October 11, 2011 for the installation of 287 LF of 12" Class 50 Ductile Iron pipe. Bids were received on October 21, 2011 for the project and the results have been provided for [the Board] as illustrated on the Bid Tabulation Sheet. Four bids were received for the proposed project and the results are as follows:

- Lowest Bid: Farmers Construction (\$98,146.12)
- 2<sup>nd</sup> Lowest Bid: King General Contractors (\$158,720.00)
- 3<sup>rd</sup> Lowest Bid: Boring Contractors, Inc. (\$191,800.00)
- 4<sup>th</sup> Lowest Bid: DLB, Inc. (\$556,966.00)

WCSA has reviewed the bid documents and the bid amounts; no errors were found. If the Board has no questions or concerns, WCSA Staff would like to recommend that the Board approve Staff to award the project to the low bidder, Farmers Construction, for the amount of \$98,146.12. Once the project has been awarded, work is to commence as soon as possible within 10 days in order to complete the project prior to the wet weather season. The contractor will have 30 days to substantially complete the project.

Mr. Osborne offered to answer any questions the Board may have.

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Discussion erupted amongst the Board and Mr. Osborne.

Mr. Taylor inquired if this is an in-house project. Mr. Cornett clarified that it would be if WCSA felt it could handle the work. However, the project seems to be a little more intense, especially if we were to encounter rock, hence why WCSA sought some outside assistance. Otherwise, the project is in-house, such as the permitting, funding, etc. Mr. Cornett believes the water we lost in the Damascus blowoff during the time this river crossing was out of service cost WCSA about \$140,000. The cost of the first break was more than the repair cost. Mr. Taylor noticed the significant difference in price between the first and second low bidders. He inquired if the first low bid was a "good, realistic number". Mr. Osborne noted that the engineer's estimate on the project was \$75,000. He explained WCSA has done work on three other projects with Farmer's Construction and in Mr. Osborne's experience, all of which have turned out very well, were in solid rock and left WCSA with no concerns. Mr. Cornett added that Farmer's Construction is from Damascus and they just finished the Chestnut Mountain Road Project; our experience thus far has been good.

Mr. Taylor made the motion to approve the low bidder, Farmer's Construction, for \$98,146.12. Mr. Taylor's motion was seconded by Mr. Hutchinson and was approved by a Board vote of 6-0-0-1.

#### **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 September:

#### **Water Production**

- Produced little over 201 million gallons of drinking water.
- Continues to coordinate and support the expansion of our Middle Fork Drinking Water Plant, as well as the Appalachian Power Company Arrowhead Substation. Occurring [Sunday, October 23 at 8:30AM], Appalachian Power Company decided to energize the new Arrowhead Substation, leaving about 2,500 people without power, including the Water Plant. Due to the efforts of Judy Construction, their electrical subcontractor and WCSA Staff, WCSA was able to borrow equipment and get the plant back online thanks to the tank behind WCSA's Administrative Office.

#### **Distribution**

- Coordinated the outside purchase of little more than 24 million gallons of drinking water.
- In total, 7.282 million gallons per day (MGD) of drinking water was distributed to customers.
- Continues to coordinate and support WCSA's ongoing capital projects.

#### **Meter Department**

- 182 customers were telephoned following unusually high usage.
- 154 meters were lifted for non-payment.

#### **Customer Service**

- Little more than \$12,000 was abated for water leaks on approximately 75 customer accounts.
- More than \$4,400 was written off as bad debt more than three years old.
- 7 water taps and 1 wastewater tap were applied for.
- Managed 191 reconnections/transfer of service requests in the last month.
- Late charges were added to over 3,600 accounts.
- 1,137 disconnect notices were processed, resulting in 154 disconnects for non-payment.

#### **Maintenance**

- Repaired 38 leaks and 12 breaks.



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- Constructed 10 water taps.
- Responded to 47 after hour call-outs.
- Assisted Galvanized Line contractors with mainline taps and ongoing prospecting.

**Wastewater**

- Treated 9.92 million gallons of wastewater in the last month.

**Administrative Items**

- September resulted in no changes to the nonresidential connection fees that are *pending* or *paid for* [in our water systems for the current fiscal year].
- Congratulations to Joe Baldwin, who has successfully attained his Class 1 Water Operators License. Joe began his work at the DWP in 2007 as a Trainee and now a short 4½ years later, he has his Class 1 License.
- Mr. Cornett met with numerous Exit 13 residents concerning easements for our Exit 13 Sewer Project.
- Attended an Abingdon Town Council Meeting on October 12 to answer questions related to the Regional Water Supply Plan.

**9. 2010-2011 Fiscal Year Audit Report**

Deanna Cox of Robinson, Farmer, Cox Associates, provided a brief report of the WCSA's Audit Report. She noted that from the Independent Auditors' Report, WCSA received an unqualified opinion (which is the best possible opinion); there were no significant reporting deficiencies to be brought to WCSA's attention. Ms. Cox summarized that if the audit was a report card, WCSA would have received an "A" this year. She highlighted a summary of the Audit Report, specifically on pages 3-5, and noted WCSA had an increase in assets of about \$2.2 million this year. Overall, the audit was very good and WCSA seems to have a pretty healthy balance. WCSA did not qualify as a low risk auditee, only because WCSA is only into the

second year of its single audits. Next year, WCSA will be a low risk auditee, as it will have been through its third year. There is no negative connotation on WCSA at this point, as the Authority is new to the process. Robinson, Farmer, Cox had no minor management comments to report and Ms. Cox affirmed "WCSA Staff continues to do a good job preparing for the audit." She offered to answer any questions the Board may have at this time.

Mr. Stephon commended the work of WCSA Staff, especially Mrs. Harold.

**10. Employee Years of Service Awards**

As WCSA strives to recognize Years of Service Awards annually and as "WCSA Employees are our best asset", Mr. Cornett encouraged the Board to consider the following awards:

**2010**

- Lisa Browning, Customer Service Representative: 5 Years

**2011**

- Jack Garrett, Maintenance Manager: 20 Years
- James Lunsford, Crew Chief: 20 Years
- Beverly Hall, Customer Service Representative: 15 Years
- Joe Baldwin, Jr., [Class 1 Operator WTP]: 10 Years

Mr. Stephon made the motion to recognize the abovementioned employees. Upon Mr. Stephon's inquiry, Mr. Cornett affirmed he had certificates for signature and pins ready for these individuals, should the awards be approved. Mr. Stephon's motion was seconded by Mr. Miller and was approved by a Board vote of 6-0-0-1.

**11. Line Extension Project Funding and Procurement**

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Mr. Cornett distributed a handout for the Board's review, which differed slightly from the Board Update. He explained the handout's contents.

WCSA has received notice from the Virginia Department of Health (VDH) that they desire to fund three of the four applied for projects with grant funds. Mr. Cornett asked the Board to consider accepting an offer of grant funding from VDH for Red Fox Lane, North Fork River Road (at Tumbling Creek) and Hillandale Road Water System Extension Projects. Childress Hollow Road did not meet the funding application requirements and was discontinued from consideration.

Mr. Miller made the motion to accept grant funds from VDH for Red Fox Lane, North Fork River Road at Tumbling Creek and Hillandale Road Water System Projects. Mr. Miller's motion was seconded by Mr. Stephon and was approved by a Board vote of 6-0-0-1.

Mr. Cornett mentioned that the three projects approved for funding last year (Rich Valley Road/Whites Mill Road Project, Nordyke Road Project and Tumbling Creek Road Water System Projects), along with the three aforementioned projects approved tonight, have timelines for advertising the projects for construction bids. With Mr. Canody's retirement earlier this spring and the fact that WCSA has not replaced him yet, this gives Mr. Cornett and WCSA Staff a level of concern for meeting time expectations from the funding agency. They feel the time is perfect to advertise for design and construction phase services for each of these six projects. In addition, there are a few other projects Mr. Cornett would like to ask the Board to also consider

allowing WCSA to procure engineering services for, which are: the Mid Mountain Zone Project (assisted by The Lane Group), Larwood Acres/Exit 1 Wastewater Feasibility Study/Project (should it result from the study), the Oak Park Wastewater Expansion Project (resulting out of the Western Washington County Sewer Study) and General Engineering Services Master Contracts(s), which would allow one or more contracts/firms to qualify to support WCSA with various, smaller professional service needs that may arise. He believes we have a variety of needs and Staff has worked with Legal Counsel to create a list of projects needed for advertisement. In regards to the Board's policy, he asked the Board to consider authorizing WCSA Staff to advertise the following list of projects:

1. Rich Valley Road/Whites Mill Road Water System Extension Project
2. Nordyke Road Water System Extension Project
3. Tumbling Creek Road Water System Extension Project
4. North Fork River Road at Tumbling Creek
5. Hillandale Road Water System Extension Project
6. Red Fox Lane Water System Extension Project
7. Mid-Mountain Zone Project
8. Larwood Acres/Exit 1 Wastewater Feasibility Study/Project
9. Oak Park Wastewater Expansion Project
10. General Engineering Services Master Contract(s)

Mr. Stout inquired if WCSA still needs outside services for the three projects WCSA has already received grant funding for; Mr. Cornett affirmed this. He noted the first three projects on the

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list received funding about this time last year and Staff has made some progress. WCSA Staff has a meeting scheduled with VDH in about two weeks and they will need to receive an updated schedule. Mr. Cornett assured VDH will want to see a schedule that can expedite quicker. Mr. Taylor made the motion to authorize WCSA Staff to advertise the list of 10 Projects for engineering services. Mr. Taylor's motion was seconded by Mr. Hutchinson and was approved by a Board vote of 6-0-0-1.

Mr. Cornett asked the Board to consider whether or not the Board wishes to have Board representation on the Procurement Committee for these 10 projects. He also asked the Board to consider, whether the procurement committee has Board representation or not, granting the procurement committee the authority to shortlist, interview and negotiate with the firm(s) selected by the procurement committee for the above-listed projects, according to the Virginia Public Procurement Act, subject to Board approval of the final contract. If the authority is granted, the Procurement Committee will provide a report to the Board regarding shortlisting, interviews and negotiations. Mr. Cornett explained that according to the Board's current policy, ordinarily when we shortlist, the Committee comes back to the Board with who has been shortlisted and after interviews, WCSA Staff comes back to the Board before contract negotiations begin. If the Board so desires, the process could be more streamlined. The two questions at hand are, 1) Would the Board like to appoint as many as two Board representatives on the procurement committee, or 2) Consider streamlining the process a little more from what has been done in the past?

Mrs. Figueiras explained that it was Legal Counsel's recommendation to have Mr. Cornett introduce these items as options for the Board to consider. Legal Counsel thinks "there are some greater hoops that need to be jumped through with the Procurement Act and did not want to tie up the Board members". This would put these projects more in line with how some of the other projects are handled.

Mr. Stout inquired if there have been Board members on this Committee before. Mr. Cornett affirmed that since 2006, probably every professional services procurement WCSA has had involved Board representation on the Committee.

Mr. Miller shared that his personal opinion from being on the Committee was "WCSA Staff and engineering handled things and [the Board] was just there." Upon Mr. Stout's inquiry, Mr. Miller affirmed he feels WCSA Staff can handle this [procurement] without the Board.

Mrs. Figueiras reiterated that the Committee would come back to the Board for final decision. Mr. Cornett explained the Committee would report to the Board its steps along the way and would bring the contract back.

Mr. Stephon made a motion, indicating that the Board does not wish to have representation on the Procurement Committee and to give [the Procurement Committee] authority. Mr. Stephon's motion was seconded by Mr. Coleman and was approved by a Board vote of 6-0-0-1. (Note: this was later clarified to have included streamlining the process as well).

**12. Closed Meeting: Acquisition and Disposition of Property, Investment of**

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**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, 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 Inter-municipal and Other Agreements, Code of Virginia § 2.2-3711 Paragraph (A) (7): Legal Advice, 4. To Discuss Potential Litigation, 5. To Discuss Various Inter-municipal and Other Agreements, 6. To Discuss Potential Contract Litigation.

In addition to the Board, the presence of Mrs. Dawn Figueiras, WCSA Counsel, and Mr. Robbie Cornett, WCSA General Manager, are requested.

Mr. Stephon's motion was seconded by Mr. Hutchinson and was approved by a 6-0-0-1 vote of the Board. The Board adjourned to Closed meeting at 8:21 PM.

**Return to Public Session**

Upon a motion by Mr. Taylor, a second by Mr. Coleman, and a 6-0-0-1 vote of the Commissioners, the Board returned to Public Session at 10:15 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. Coleman, Mr. Taylor and Mr. Stout.

**13. Late Items**

Mr. Cornett distributed a Late Item Agenda with many late items for the Board to consider, as follows:

***Late Item #1: Consideration of the Bristol Area Water Restructuring Bids***

Matthew Lane distributed and presented the Bid Tabulation to the Board. He noted that bids were opened at 2 PM today. The project [bids] were broken into three parts: Part 1- Terrace [Drive] portion, Part 2- remainder of the project, and Part 3- combination of Part 1 and Part 2. Crosspointe Contracting, Inc. was the low bidder on Part 3 (\$569,735) and Bid Alternate #1 (\$39,180). The next lowest bidder was McFall Excavating at \$644,100 [for Part 3]. Mr. Lane explained they felt these were very good bids. The engineer's estimate was \$750,000, so the low bids are well within budget. After reviewing the bids, The Lane Group's recommendation is that the project be awarded to Crosspointe Contracting, Inc. for Part 3 (\$569,735).

Mr. Cornett thinks the Board may want to take the following into consideration in their motion, if they are so inclined:

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To recommend award of the low bid to the apparent lower bidder, Crosspointe Contracting of Abingdon, Virginia (the Contractor), [Mr. Cornett advises] to put the Contractor on notice that it was in danger of being declared "nonresponsible" for the [Rich Valley Road/Maiden Creek Road Project] (the Project). In so doing, it would be safe to site that:

- The Contractor did not complete that Project on time;
- The Contractor made unsubstantiated claims about unusually hard rock;
- The Contractor did not follow procedures outline in the Contract for encountering unusually hard rock or requesting additional time;
- The Contractor consumed an inordinate amount of Staff time, proposing changes to the Project design;
- The Contractor proceeded without WCSA or VDOT approval for an "open cut" road crossing and after consulting with WCSA Staff about relocating the "bored" road crossing;
- The Contractor unnecessarily skipped around in the installation of the pipe, which resulted in the addition of solid sleeves, which then resulted in additional joints in the waterline that are susceptible to leakage; and
- The Contractor, WCSA believes, underestimated the resources necessary to complete the Project, both in properly functioning equipment and manpower.

For those reasons, should the Board so consider the bid, they may wish to advise the Contractor that we are not making a determination of nonresponsibility based on the performance of the Rich Valley/Maiden Creek Road Project, but that we will closely monitor the work and performance on this project and if the Contractor's work and performance is unsatisfactory, then the WCSA Staff, The Lane Group as the engineer, and the Board will take all appropriate action, including possibly declaring the Contractor to be nonresponsible for future contracting

operations with WCSA.

Mr. Cornett expressed that Matthew [Lane] may want to be extra mindful with a pre-construction conference to closely adhere to asking for a schedule of the proposed work and very closely monitor that schedule with each month's progress meeting. If the Contractor should get off track, whether the reason be legitimate or not, WCSA will need to take whatever other action is appropriate to insure the work gets done. Mr. Lane affirmed this and agreed with the proposed action. Mr. Cornett believes that is as fair and as favorable of a recommendation we could come up with at the present time, if the Board would be so inclined to consider awarding the [Bristol Area Water Restructuring] Project.

Mr. Stephon made the motion to award the project to Crosspointe Contracting, as outlined by Mr. Cornett, [for Part 3]. Mr. Stephon's motion was seconded by Mr. Miller, and was approved by a Board vote of 6-0-0-1.

Mr. Lane clarified and explained that the previous motion had needed to be for Part 3 (the combined bid) and Bid Alternate #1 (for 6" transite line at the intersection of Campground Road and Island Road that VDOT did not replace when they made the improvements along Campground Road). Mr. Cornett affirmed we could take action on that award tonight as well, as there are favorable prices and we have the opportunity to get transite line out of the ground; "transite line is number two behind galvanized line."

Mr. Taylor inquired, with the concern of time, if a change order could be presented down the road regarding timeliness. Mr. Lane does not believe they could get [Mitchell Crabtree] to

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hold his price if WCSA does not accept it now, but they could ask him. Discussion erupted between Mr. Lane, Mr. Miller and Mr. Cornett.

With the contract language regarding "withdrawing a bid within 48 hours" in mind, Mr. Taylor wondered if [Mr. Lane could meet with Mitchell Crabtree] regarding their concerns; Mr. Lane affirmed this. Mr. Bobby Lane noted that the bid cannot be withdrawn without a mathematical error. However, Mrs. Figueiras explained that if the bid is awarded to him tonight, Mr. Crabtree could ask for it to be terminated for convenience right away and we could agree to that; Mr. Matthew Lane affirmed he would schedule that meeting. Mr. Cornett added that we could have an open and frank discussion with him post haste and if he has any reservation about his ability to complete this very time sensitive project on time, we are willing to terminate for convenience, "no harm, no foul", and award the project to the next low bidder. Mr. Cornett wants to make sure [Mr. Crabtree] realizes the time sensitivity; he may not be aware, and Mr. Cornett wants to make sure he knows that before he proceeds. He inquired if Crosspointe indicated use of PVC Pipe or Ductile Iron? Mr. Lane noted that he did not circle either one, so we get to choose if we want; "selecting ductile iron may push him over". Mr. Cornett affirmed he did not think [Mr. Crabtree] was at the pre-bid, but that was reviewed there. Mr. Lane explained that they allow the Contractor to choose to install PVC or Ductile Iron; "depending on the material availability, sometimes Ductile Iron is cheaper than PVC." They ask bidders to circle which material they want to install. Since he did not circle one or the

other, Mr. Lane clarified that we get to choose. Mr. Osborne noted that is usually done when there are not extraneous circumstances.

Mr. Hutchinson made the motion to award the low bid for Bid Alternate #1 to Crosspointe Contracting. Mr. Hutchinson's motion was seconded by Mr. Coleman and was approved by a 6-0-0-1 Board vote.

Mr. Lane clarified that if they speak with [Mitchell Crabtree] tomorrow and he decides to pull out, they can begin negotiations with McFall [Excavating]; they were the second low bidder in Bid Alternate #1 as well.

Mr. Lane thanked the Board, and Mr. Cornett thanked [Matthew and Bobby Lane] for waiting until after Closed Meeting.

***Late Item #2: Dispute Committee Selection for Don Phipps and Richard Smith***

Mr. Cornett distributed packets to the Board and provided background information regarding two dispute hearing requests: one from Don Phipps and one from Richard Smith; the latter spoke during Public Query and Comment last month. The packets also include letters from Jenny Manuel, WCSA Customer Service Manager, and in regards to Dr. Smith's dispute, a letter from Mr. Chase, supporting the Staff's findings on his requested abatement. Each of these customers have asked for a dispute hearing before the Board. Mr. Cornett wanted to ask the Board's pleasure in accommodating these requests. He explained it is possible that the Don Phipps request may have resolved itself today. Mr. Phipps came in and paid his unpaid balance, as he decided the Board would most likely agree with the Staff's findings with

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regards to his situation. It was unclear in regards to that statement whether or not Mr. Phipps still wanted to have a dispute hearing; WCSA is trying to reach him and has been unsuccessful thus far. Dr. Smith, however, has not made such statements.

Mrs. Paukovitz noted she has Mr. Chase's letter to Dr. Smith available, if the Board is interested in its contents.

As Mrs. Figueiras clarified it is up to the Vice Chairman to appoint two Board members to represent the Board on the Dispute Committee and after some Board discussion, Mr. Stout appointed Mr. Hutchinson and Mr. Stephon.

***Late Item #3: Auditors Report and Findings Regarding Taxable Fringe Benefits***

Mrs. Harold explained that at the August Board Meeting, we discussed taxable fringes and the fact that WCSA may be non-compliant with uniforms and employer-provided vehicles. The taxable fringe benefit issue with WCSA Uniforms is in the process of being resolved. A logo patch has been applied to the back hip of the uniform pants by the uniform company, and a patch will be applied to the coveralls as well. However, Mrs. Harold presented an Auditor's Statement regarding the use of employer-provided vehicles to eligible employees, as found at the Board's stations. The tax code is very clear that pick-up trucks are not exempt from taxation for personal use unless they are significantly modified. Most of WCSA's pick-up trucks have not been significantly modified, other than the on-call trucks. She affirmed that WCSA Staff needs the Board's guidance on what to do about taxing employees on their benefit of commuting from home to work.

Mr. Stout inquired if the same employees drive the same vehicle each day. Mr. Cornett explained that the vehicles which would be taxable have the same person driving them every day. Mrs. Harold clarified that the vehicles that would be taxable are position specific. The on-call trucks have been significantly modified and would be considered tax-exempt.

Mr. Cornett affirmed WCSA seems to have no choice but to start monitoring if employees with company vehicles continue to drive from home to work. As this concerns employee benefits, the Board has historically reserved the right to make this decision. In Mr. Cornett's humble opinion, he feels this is an example of an IRS Code that should not be one size fits all. The reason behind these employees taking the vehicles home is that they are subject to recall [into work] for a number of reasons seven days a week, year round. However, this is a tax code that we cannot avoid. Mr. Cornett noted that some folks will probably discontinue driving their vehicle to and from work. For some, it would end up costing more to drive the company vehicle back and forth from home to work than the benefit received.

Mr. Stephon inquired of the calculations on fair market value; Mrs. Harold referenced an example regarding purchase price from the Board Update. Discussion erupted amongst Mr. Stephon and Mrs. Harold.

Mr. Taylor inquired if it is an option for the employee to leave their assigned company vehicle on the lot and to drive their personal vehicle to and from work. Mrs. Harold affirmed this option and noted this will affect 14 employees.

Mr. Stout inquired if WCSA purchases

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the gasoline for these vehicles; Mrs. Harold affirmed this inquiry, and noted this as the reasoning for fuel expenses added into the equation.

Discussion erupted amongst the Board. Upon Mr. Stout's inquiry, Mr. Cornett explained the Board needs to consider a motion to approve the findings of Ms. Cox and Mrs. Harold regarding taxable fringe benefits.

Mr. Stephon made the motion to approve Ms. Cox and Mrs. Harold's findings on taxable fringe benefits and comply with IRS regulations. Mr. Stephon's motion was seconded by Mr. Hutchinson and was approved by a Board vote of 6-0-0-1.

***Late Item #4: Strategic Plan Procurement Committee Shortlist for Interviews***

Mr. Cornett distributed a handout to the Board. He noted that in August of this year, WCSA directly solicited proposals from five firms to assistance with WCSA's first strategic plan. Three of the five firms submitted proposals by the September 9, 2011 deadline. The firms were EMA of Pennsylvania, Municipal & Financial Services Group (MFSG) of Maryland and R&R Consulting of Ohio. On Wednesday, October 19, 2011, the Procurement Committee, consisting of Joe Chase, Ken Taylor, Kim Harold and [Robbie Cornett], met to consider the proposals and to identify the firm or firms for interview and further consideration. The Committee unanimously agreed that all three proposers demonstrated a great deal of skill and talent. However, the firms of EMA and MFSG stood out, due to their strategic planning experience as it relates to water and sewer utilities, their experience in Virginia, along with their familiarity with the American Water

Works Association Leadership Series on Strategic Planning; the latter was a selection criterion identified in the request for proposals. For these reasons, the Procurement Committee proposes we interview EMA and MFSG.

[The Procurement Committee's] goal is to interview the two firms prior to the November Board Meeting, to decide who we would propose to perform this work, if either, and make that recommendation to the Board at the November Board Meeting. He offered to allow Mr. Taylor or Mrs. Harold to add to his report, based on their experience with the Committee.

Upon Mr. Stephon's inquiry, Mr. Cornett explained the concept of strategic planning. He noted it as an effort to make sure WCSA Staff knows what the long term plan for the Authority is and that we are working towards that plan. Mr. Cornett added it is to make sure the Board has taken the appropriate steps to hear from various stakeholders, be it the Board of Supervisors or members of the public, with respect to what the Board believes to be our mission and vision. He provided some examples of our services and noted that strategic planning involves knowing what our priority is amongst those services. Mr. Cornett affirmed these priorities have never been formally articulated as a mission or vision statement. Strategic planning also helps guide Staff to know the priority of the Board in regards to the future of the Authority; Mr. Cornett provided examples. He explained that strategic planning is to make sure as a matter of policy and responsibility, that the Board and the Staff, as well as any other stakeholders, are aware of the mission and vision of WCSA, are annually



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reevaluating those goals, and are adjusting as necessary. Mr. Cornett noted that most organizations, before going through such a large, capital extensive process as WCSA has gone through recently, will go through these types of exercises. He provided examples of how strategic planning can be carried out, and noted the importance of "making sure the road map for the future is clear for all parties involved". At the Procurement Committee's recommendation, Mr. Miller made the motion to approve the firms of EMA & MFSG for interview. Mr. Miller's motion was seconded by Mr. Stephon, and approved by a Board vote of 6-0-0-1.

***Late Item #5: Discontinuation of a Proposed (User Agreement) Project Along a Portion of North Fork River Road***

Mr. Cornett distributed a handout to the Board. He explained that in 2010, WCSA received user agreements from residents along North Fork River Road, between Hayters Gap Road and Tumbling Creek Road. WCSA followed up with a certified letter to ensure all residents had been contacted and were given the opportunity to sign user agreements. Of the 57 existing homes in the project area, only 20 (or 35%) submitted user agreements, indicating their commitment to purchase a water connection. At that time, greater than 50% of residents must submit user agreements before a project can be considered for funding.

Subsequently, Staff reduced the project area to only six residences along North Fork River Road, near the intersection of Tumbling Creek Road. We have applied for and received construction grant funds from VDH to serve those six residences; action was taken earlier tonight to accept

the funding. All other user agreements must be discontinued and residents will be notified after Board approval. He clarified that Staff is asking the Board to consider taking official action to discontinue this project so we may notify those residents of discontinuation of the project.

Upon Mr. Stout's inquiry, Mr. Cornett clarified the situation at hand.

Mr. Hutchinson made the motion to discontinue the proposed project. Mr. Hutchinson's motion was seconded by Mr. Stephon, and was approved by a Board vote of 6-0-0-1.

***Late Item #6: Capital Projects Tour***

Mr. Cornett extended his appreciation to Mr. Stout, Mr. Coleman and Mrs. Figueiras for their interest and participation in a Capital Projects Tour last Friday morning. He hopes they found the tour informational and helpful. Mr. Cornett wanted to extend an open invitation to the rest of the Board and, should they so choose, their Supervisors, to conduct additional tours to these or any other projects. He expressed that the above mentioned are welcome to contact him, should they be interested.

Mr. Stout affirmed he enjoyed the tour and upon inquiry, Mr. Cornett affirmed this Late Item was for the Board's information only; no action is required.

***Late Item #7: Consideration of a Resolution of Support for a Washington County Tobacco Commission Application and Capacity/ System Fee Commitment***

Mr. Cornett referenced a resolution at the Board's stations for their consideration and action, if they are so inclined.

Mr. Hutchinson made the motion to approve the resolution (see attached).

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Mr. Hutchinson's motion was seconded by Mr. Coleman and was approved by a Board vote of 6-0-0-1.

***Additional Late Items***


Mr. Cornett distributed a letter to the Board from WCSA customer Jack Orcutt. He does not believe Mr. Orcutt is asking for a response; the letter is for the Board's information. However, Mr. Cornett asked the Board to let him know later if they would like [Mr. Cornett] to respond to Mr. Orcutt's letter. Mr. Cornett believes he is a seasonal neighbor of Mark Lawson [WCSA Counsel].

Upon Mr. Stephon's inquiry, Mr. Cornett and Mrs. Harold affirmed the fee to disconnect Mr. Orcutt's meter and reconnect it upon his return would be \$40. Mr. Stephon expressed the most reasonable solution for the customer would be to have the meter pulled when they leave and pay the reconnection fee upon their return.

**14. Adjourn or Recess**

Mr. Stephon made the motion to adjourn. Mr. Stephon's motion was seconded by Mr. Miller and was approved by a 6-0-0-1 vote of the Board. The meeting was adjourned at 11:00 PM.

  
\_\_\_\_\_  
Mr. D. L. Stout, Vice Chairman

  
\_\_\_\_\_  
Amanda Paukovitz, Assistant Secretary

Washington County Service Authority

RESOLUTION

**WHEREAS**, the Washington County Service Authority (WCSA) is a water and wastewater utility chartered under the Virginia Water and Waste Authorities Act to provide public water and sewer services in a responsible manner in its service area; and

**WHEREAS**, Board of Commissioners and Washington County Board of Supervisors jointly procured The Lane Group Incorporated to study the provision of public sewer service to Western Washington County; and

**WHEREAS**, The Lane Group's report and recommendations were adopted by the Commissioners, Supervisors and Industrial Development Authority Board in 2011; and

**WHEREAS**, The Lane Group's report recommended a phased approach to meeting the public sewer needs of the service area including Oak Park Center for Business and Industry (a Mega-site); and

**WHEREAS**, The Lane Group has identified a two phase project that would provide 500,000 gallons per day of sewer capacity for Oak Park Center for Business and Industry, where no sewer capacity presently exists, at a total cost of \$7,099,347; and

**WHEREAS**, the WCSA Board of Commissioners is prepared to construct phase 1 of the 2 phase project at a total project cost of \$3,206,647; and

**WHEREAS**, the WCSA Board of Commissioners is willing to reserve the 500,000 gallons of sewer capacity for tenants and/or future tenants Oak Park Center for Business and Industry, subject to suitable funding for the phase 2 project which has an estimated cost of \$3,892,700; and

**WHEREAS**, the Virginia Tobacco Indemnification and Community Revitalization Commission Mega-site Utilities fund has been established to address utilities needed at Mega-sites;

**NOW THEREFORE, BE IT RESOLVED**, that WCSA's Board of Commissioners hereby respectfully requests the Virginia Tobacco Indemnification and Community Revitalization Commission to consider providing the \$3,892,700 in additional funds necessary to complete this project in the form of grant through the Mega-site Utility fund.

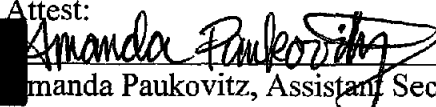
Motion by: HUTCHINSON

Seconded by: COLEMAN

Aye 6 Nay 0 Absent 1

This 24 day of OCTOBER 2011

  
D.L. Stout, Vice-Chairman

Attest:  
  
Amanda Paukovitz, Assistant Secretary