

Washington County Service Authority Board of Commissioners
October 26, 2009 Regular Meeting Minutes

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

ROLL CALL

Commissioners Present:

Mr. Joe Chase, Vice Chairman
Mr. Sam Blaylock
Mr. Prince Coleman
Mr. Frank Stephon, IV
Mr. D.L. Stout
Mr. Kenneth Taylor

Commissioners Present:

Mr. Gerald Cole, Chairman

Staff Present:

Robbie Cornett, General Manager
Kim Roberts, Controller
Amanda Paukovitz, Administrative Assistant
Doug Canody, Chief Engineer
George Thomas, Utility Coordinator

Consultants Present:

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

Also Present:

Mrs. Dawn Figueiras, General Counsel
WCSA Employees

3. Public Query & Comment

There was no Public Query & Comment.

4. Approval of the Agenda

Mr. Cornett asked that Items #9 and #12 be removed from the agenda. Item #9 was removed because the audit report is not ready for presentation by Robinson, Farmer & Cox. Item #12 was removed because bids were to be received for the Seven Springs Project last week. However, the bid opening has been postponed a week to allow vendors to provide pricing to the contractors.

Mr. Stout moved to approve the agenda.

Mr. Stout's motion was seconded by Mr. Stephon, and was approved by a vote of 6-0-0-1.

5. Approval of the Consent Agenda

- Minutes for September 28, 2009.
- Routine Reports for September 2009.
- Financial Statement for September 2009.
- Check Register and General Manager Financial Report for September 2009.

Mr. Taylor made a motion to approve the Consent Agenda. Mr. Taylor's motion was seconded by Mr. Coleman, and was approved by a vote of 6-0-0-1.

6. Engineer's Report and Update

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

- **White's Mill Road Improvements**
They talked with Rural Development (RD) earlier today; RD is still evaluating WCSA's funding application. The project is in process at this time.
- **Orchard Hill Road Improvements**
Contractor is still not complete with the project since the last meeting. Subcontractor has been working on the stream line crossing a number of times; has been attempting to complete that final crossing, but it is still not complete. King (Contractor) has one last crossing to make to complete the project; King is in the process of doing so to have all the lines tied together, with the exception of the last crossing. Not much progress has been made since the last meeting.
 - Mr. Blaylock asked what the initial deadline for the project was. Mr. Heath explained that their time expired in July, but King asked for an extension of 60 days (which would have taken the project to early in Sept.); King has not

Washington County Service Authority Board of Commissioners
October 26, 2009 Regular Meeting Minutes

completed that.

- Mr. Taylor asked if [King] was doing his own bore. Mr. Heath noted that there are two bores outstanding: the directional bore (which was subcontracted out) and the conventional bore; King will do this last one on its own.
- Mr. Taylor also asked for the projected completion date. Mr. Heath expressed that the contractor said he could be finished in two weeks, while the subcontractor said he would need two to three weeks.
- Mr. Blaylock suggested that we set a deadline and "push it". Mr. Cornett expressed that we have been considering that and whether or not to access liquidated damages. He noted that they have been monitoring this project, along with another one similar to it, to make recommendations at the next meeting. Mr. Heath feels the project should be substantially complete by the next meeting. Mr. Cornett explained that WCSA is aware of how things are panning out, and also realizes that WCSA incurs costs when projects are not substantially complete.

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

• Glove Drive Waterline Improvements

Crosspointe construction is doing the work. They have 80% of the work done in about 87% of time. They have had some rain days and wrote a letter to request an extension; they are the subcontractor on the Orchard Hill Road project as well. They have had problems with the Boring machine, etc. Also, they may have had some delays due to the

property owner.

Mr. Canody noted that WCSA had obtained an easement from a resident who has pulled a gun on the contractor. They have given the property owners time to cool down; however, time may not make a difference. WCSA needs to make a decision of whether or not to add 50 ft. of line to avoid this resident (a cost of \$11,000) or ask for law enforcement to assist Crosspointe Construction; law enforcement does not necessarily guarantee the absence of retaliation. The situation may require additional time. The project area encroaches on the Route 58 right-of-way, which would involve VDOT and a switch from PVC to ductile iron pipe; this pushes up the cost. Of the \$11,000 utilized, \$9,000 would be involved with the two road crossings, while the remaining \$2,000 is for additional pipe costs; these are conservative cost estimates. DAA is left asking, "Do we challenge the property owner, who has supposedly pointed his gun at the contractor, or cross on the other side of the road?"

- Mr. Stephon asked what changed the property owner's mind. Mr. Canody explained that there was a situation with a car manufacturing company that fell through; this may be what has upset the resident and his neighbor.
- Mr. Stout asked if the line would come back out on the owner's property if we crossed under the location of situation. Mr. Canody noted that there is a second crossing that comes back on his land.
- Mr. Chase asked if we have had this kind of situation happen before. Mr. Cornett expressed that in the past, we have been able to

Washington County Service Authority Board of Commissioners
October 26, 2009 Regular Meeting Minutes

reason with landowners in order to proceed, or we've asked for assistance from the Sheriff's Department to finish. Neighbors do not think we will have success in reasoning with the landowner. Avoiding his property would entail a Change Order; Mr. Cornett wanted to inform the Board.

- Mr. Taylor asked how long it should take to finish the project. Mr. Canody said it should take no longer than a day or so to put in the remaining 80 ft. of line.
- Mr. Thomas reminded Mr. Canody that the resident was upset about the condition of his cattle, and how they would be handled during construction. Mr. Thomas suggested that we may propose a temporary fence to further install the line (Note: the Contractor removed part of the fence without setting up a temporary one; this upset the property owner).
- Mr. Blaylock asked if we think a day could truly bring about negative ramifications; Mr. Canody explained that the Contractor is concerned that it could.
- Mr. Blaylock went on to express that he does think a temporary fence is a good suggestion. Mr. Hancock explained that the fence is part of the contract. Mr. Cornett noted that we will continue to work on pursuing that solution.

Mr. Hancock explained that the Contractor was trying to catch up to begin with when this happened; that is why the project is behind schedule.

- **Route 58 Water Storage Tank**

Had a public hearing earlier tonight and no one showed up; this requirement is now taken care of for RD. Have

submitted PER revisions and DAA is 95% complete on the environmental review. DAA has tried to contact agencies and have not heard back. The project's status should allow them to proceed with the application requirements. Easement requirements are currently being worked on.

- **Route 58 Corridor Study**

Have put together all the models. Are doing calibration to test the model in the field and are analyzing that. They hope to have the PER done next month.

- **Monte Vista Drive Waterline Improvements Study**

Status for the project is the same as that for the Route 58 Corridor Study.

- **Exit 13/14 Sewer Project**

They have begun the control surveys this week. Brochures have been sent out; have had a few calls in response. Of the 10-11 calls received, only one resident does not want WCSA on their property. Will start staking out lines in the next few weeks.

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

- **Interim Drinking Water Plant Improvements/Expansion**

WCSA is aware that The Lane Group, Inc. is preparing final plans and specs to upgrade the DWP from 4.6 to 6.6 MGD. They have submitted final plans/specs to WCSA Staff and VDH; have received comments back. The Lane Group, Inc. believes that they can successfully answer questions in the next week or so and there should be no problem in satisfying those concerns. Once plans are approved by VDH, drawings will be submitted to RD for their approval. The process usually takes about a week. If everything goes well, they should be able to advertise the project for bids on Nov. 15. This would allow them to open bids

**Washington County Service Authority Board of Commissioners
October 26, 2009 Regular Meeting Minutes**

on Dec. 15 and seek approval at the December meeting to award the project. They will ask for authorization from the Board to advertise the Interim WTP expansion project (from 4.6 to 6.6 MGD) for bids, pending the abovementioned approvals.

Mr. Cornett concurred, as they believe the bid climate is very favorable now. Mr. Lane thinks if we wait until November, this would bring bid pricing into the Christmas season, which could hike the bids up; that is why they are seeking Board approval at this time.

Mr. Stout asked if this project will involve easements. Mr. Lane explained that the interim improvements will not involve easements.

Mr. Taylor made the motion to authorize The Lane Group, Inc. to move forward with preparing the project for bid. Mr. Taylor's motion was seconded by Mr. Blaylock and approved by a 6-0-0-1 vote

- **Lobby & Building Renovations**

Had a meeting today to update the Board and WCSA Staff representatives. They are looking at the construction of a new entrance, a new look for the lobby & reception area, review of the roof & HVAC modifications and master plans to help with space considerations, which maximizes efficiency. They are at a point where they could present master plans and preliminary drawings at the November Board meeting. There is also a meeting scheduled prior to that; Mr. Lane hopes to bring those results to the November Board Meeting as well.

- **Galvanized Line Impact Study**

Have been recently advised that funding for Phase 2 of the Galvanized Line Replacement Project is moving toward completion. They are hoping that in the very near future, there should be good news to bring to the Authority Board.

7. Water & Wastewater Construction Projects Report and Update

Mr. Canody referred the Board to the Engineering report in the Board Books. He noted the following changes/updates:

- **Chestnut Mountain Rd.**

Have finalized aspects of the agreement in regards to access to the pump station.

- **Rich Valley Rd. Projects**

Two of the projects are funded, one is not currently. They will apply for VDH funding; they had expected to hear back about funding by now. Layout and final design is 90% complete for those funded projects. There have been discrepancies between the model and what is in the fields; they will work towards approval.

- **Sutherland Project**

They are working to eliminate the bulk storage tank; have been concerned about the matter since the last bid. They are working to reduce the line size, which should bring the project's cost down. They will work with forest rangers also to make sure it will work financially this time.

- **Tumbling Creek Water Line Extension**

The Notice to Proceed was issued today. Have needed to review the contract and scope of services for the project; they have been working with The Lane Group, Inc. to move the project along.

- **New Johnston Memorial Hospital**

The owner and engineer have met with WCSA to see alternatives to building a fire storage tank on the side of the building and instead, improve WCSA's system. They want WCSA to give them a cost estimate. The cost of the tank is more affordable than bettering the fire flow improvements; JMH is evaluating.

- **Seven Springs Secondary Supply**

They were hoping that bids for Seven Springs could have been opened last

**Washington County Service Authority Board of Commissioners
October 26, 2009 Regular Meeting Minutes**

Thursday. All contractors requested another week to get prices for the items that could not be obtained. They will open bids this Thursday; will report the results at the next meeting for Board consideration.

8. General Manager's Report & Update

Mr. Cornett reported on the following noteworthy WCSA performance and Staff accomplishments:

Water Production

- Produced over 199 million gallons of drinking water.

Distribution

- Coordinated the outside purchase of over 22 million gallons of water.
- In total, about 7.1 million gallons per day of drinking water was distributed to our customers in September.

Meter Department

- 128 customers were telephoned following unusually high usage.
- 619 customers were notified that their water was to be turned off due to nonpayment.

Customer Service

- Almost \$7,000 was abated for 51 customer water leaks.
- More than \$4,800 was written off as bad debt [more than three years old].

Maintenance

- Repaired 36 leaks and 8 major breaks.
- Constructed 13 water taps & 1 wastewater tap.
- Responded to 28 after hours maintenance call-outs.

Wastewater

- Treated over 9.1 million gallons of wastewater.

Administrative Items

- Drinking Water Plant (DWP) and Maintenance Staff worked together to pull and dismantle the #3 High Service Pump at the DWP.
- WCSA Maintenance Staff responded to a second cave-in at the Highlands

Shopping Center. We have had to replace several gate valves there that were installed by the developer but have subsequently failed during operation.

- WCSA is currently advertising for the positions of Staff Engineer and Wastewater Plant Operator.

Note: Agenda Item #9 (WCSA 2008-2009 Audit Report) was removed from the Agenda.

10. Sutherland Waterline Extension Project, Consent to Advertise for Bid

Mr. Canody has been in touch with the forest service, receiving information regarding additional financial support. He would like to ask for the Board's permission to advertise the project for bid. They may not be able to actually advertise before the next meeting, but would like to gather the Board's consent. Funding agencies are content with the number of people that have agreed to sign on. With the conditions of having a successful bid with the money they have and with having property issues squared away, WCSA would like to advertise the project for bid before or maybe after the next Board Meeting.

Mr. Stout made the motion to grant permission to advertise the Sutherland project for bid. Mr. Stout's motion was seconded by Mr. Blaylock, and was approved by a 6-0-0-1 vote.

11. Rural Development Code of Conduct

Mr. Cornett referenced that in the back of the Commissioners' Board Books, RD has provided a Code of Conduct for the Board's review. WCSA has applied for funding from RD for 7 of the CIPs. After obligation comes a letter of conditions. There are quite a few things RD requires before they obligate funds. The Code

**Washington County Service Authority Board of Commissioners
October 26, 2009 Regular Meeting Minutes**

would only have to be adopted one time. There will be a few other things that need to be adopted before they could proceed. Mr. Cornett recommends that they adopt this Code or submit a revised Code for their approval. Mr. Cornett asked the Board to consider this.

Mr. Chase asked if we have reason to not accept this version of the Code. Mr. Cornett explained that he has run the Code by General Counsel and they concur. Mrs. Figueiras expressed that WCSA is already bound by the Virginia Restrictions Act, and this Code is pretty straightforward.

Mr. Blaylock made the motion to adopt the RD Code of Conduct. Mr. Blaylock's motion was seconded by Mr. Stephon, and was approved by a 6-0-0-1 vote.

Note: Agenda Item #12 (Award of the Seven Springs Secondary Supply Project) was removed from the Agenda.

13. Tumbling Creek Waterline Extension Bond Resolution

Ms. Roberts noted that the referenced Bond Resolution is a formality for VDH when WCSA goes to close on a bond issuance; there needs to be a resolution prior to that. Again, this is a formality that is necessary prior to the closing of a loan and before going to construction. She referenced the loan's amount of \$63,502.

Mr. Stout made the motion to approve the Bond Resolution. Mr. Stout's motion was seconded by Mr. Taylor and received a vote of 6-0-0-1.

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

Mr. Stephon moved that the Board adjourn to Closed Meeting in accordance with the Virginia Freedom of

Information Act, Code of Virginia Section 2.2-3711 Paragraph (A) (3): Acquisition and Disposition of Property, 2. To Discuss and Consider the Acquisition of Real Property and to Discuss and Consider the Disposition of WCSA Real Property, Code of Virginia Section 2.2-3711 Paragraph (A) (6): Investment of Public Funds, 3. To Discuss Various Inter-municipal and Other Agreements, Code of Virginia Section 2.2-3711 Paragraph (A) (7): Legal Advice, 4. To Discuss Various Inter-municipal and Other Agreements.

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. Stout and was approved by a 6-0-0-1 vote of the Board. The Board adjourned to Closed meeting at 7:47 PM.

Return to Public Session

Upon a motion by Mr. Taylor, a second by Mr. Stephon, and a 6-0-0-1 vote by the Commissioners, the Board returned to Public Session at 8:49 PM.

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, Section 2.2-3712 Paragraph D of the Code of Virginia requires a certification by this Authority that such Closed Meeting was conducted in conformity with Virginia law;

Now, therefore, be it resolved that the Authority hereby certifies that to the best of each member's knowledge, (1) only public business matters lawfully exempted from open meeting requirements by Virginia law were

Washington County Service Authority Board of Commissioners
October 26, 2009 Regular Meeting Minutes

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. Blaylock, Mr. Chase, Mr. Stephon, Mr. Coleman, Mr. Taylor and Mr. Stout.

15. Late Items

Mr. Cornett referenced a red-tabbed document, which he asked the Board to read. He also asked Mrs. Paukovitz to insert the document's content into the minutes. The document reads as follows:

Greendale Fire Hydrant(s):

According to WCSA Board Meeting Minutes, in January 1999, Mr. Jerry Eggers, Pastor of Greendale Chapel Church presented a petition signed by Greendale residents asking that water service there be upgraded and that a fire hydrant be installed. Subsequently, a member (Buck Hilton) of the Greendale Chapel Church provided the equipment and an operator while WCSA provided the labor and materials for the upgrade, except for the fire hydrant, as fire flow was unavailable at the time. However, a "tee" and "valve" (tee and valve #1 on the attached sketch) were installed for the fire hydrant, should fire flow become available in the future. Moreover, a second project, the Brumley Gap Road Water Line Extension Project, was constructed on the heels of the Greendale upgrade and as a part of this (Brumley) project, two additional "tees" and "valves" (tee and valve #'s 2 & 3 on the attached sketch) were installed for future fire hydrants in the community.

Now, we have received an inquiry as to the installation of the hydrant requested

by Mr. Eggers in 1999. An examination of Board meeting minutes shows no commitment by the Board to install the hydrant. WCSA's policy as of Feb. 2003 requires that residents pay for materials and WCSA will provide the labor for new hydrants. However, with the installation of "tees" and "valves", it appears that WCSA was planning for these hydrants. Because this is an exception to our current policy, though we may have planned for these hydrant(s) prior to the policy, I am asking the Board to consider the installation of the hydrant(s) now. A sketch of the tees and valves is attached.

Discussion ensued. Mr. Stout asked if all the tees and valves are in. Mr. Cornett reiterated that yes, they are in; all they need are hydrants. Mr. Stout also asked what the green spots indicated on the map represent. Mr. Cornett noted that they represent meters, which can only conclude that prior to our current policy (which states that if an outside source supplies materials, WCSA supplies the labor), the tees and valves were put in with anticipation to put in hydrants when fire flow was available.

Mr. Taylor asked for clarification of the situation. Mr. Cornett explained that with the exception to our current policy, all evidence points to plans to install the hydrants. However, Mr. Cornett did not want to give authorization without the Board's consent.

Mr. Chase asked what the installation cost would be. Mr. Cornett noted that WCSA would pay for the hydrants and the labor; costs would be nominal. He explained that the policy was put in place because there were requests for dozens of hydrants everywhere. Since it is an exception to current policy, he wanted to seek consent.

Washington County Service Authority Board of Commissioners
October 26, 2009 Regular Meeting Minutes

Mr. Stout asked for the approximate cost of a hydrant; Mr. Cornett said about \$800. Mr. Stephon stated that he doesn't see why we shouldn't put the hydrants in. Mr. Taylor said, "I don't know why we would do A & B without C". Mr. Cornett expressed that he thought so too. Typically, he explained, they put in hydrants if the flow is there. The flow must not have been there, but it is now.

Lowry Hills Fire Hydrants:

According to several reports, WCSA had to remove several fire hydrants from the Lowry Hills community some years ago due to inadequate flow.

Now, we are being asked to consider re-installing these hydrants.

WCSA has recently made several water system improvements that impact Lowry Hills. They include: 1) the replacement of a 6" transite water line along Lee Highway with a 12" ductile iron line, which improves reliability and flow, 2) an interconnection between The Virginian and Lowry Hills, which will improve reliability by adding a second source of supply, and 3) the [addition of a] pressure sustaining valve at the entrance to Lowry Hills to regulate flow and pressure.

WCSA Board meeting minutes have been researched and there is no record of hydrants in Lowry Hills being removed. WCSA Staff has been questioned, however, and they do recall this occurring. WCSA Staff was sent to Lowry Hills to investigate on Monday, October 19, 2009. Our investigation revealed that one hydrant was removed from Lowry Hills, near 21494 Plantation Road. Moreover, this hydrant was connected to a 2" galvanized water line. This explains why the hydrant was removed from service, as a 6" water line is the minimum line size required for a

hydrant.

Discussion ensued. Mr. Cornett explained that there is only 2-inch galvanized line there. He expressed that they would need at least a 6-inch line for adequate flow.

Rich Valley Road Connection Fee:

All of the easements for the Rich Valley Road projects have been obtained with the exception of two. We expect that one of the two remaining easements (Mr. Thompson) will not be signed, as he owns both sides of the road and does not want the project to proceed. With some additional cost, we will be able to go around his property and negate getting an easement from him. As for the other property owner, Mr. Billy Owens, he is not necessarily against having water line in the area. [He] is discontent with the fact that he was never given the opportunity to sign the petition in 2007, allowing him to connect to the new line at a cost of \$1,150. While investigating Mr. Owens's claim, it was found that Mr. Owens indeed had not been given the opportunity to sign the petition. When Wayne Turley, the project champion, was circulating the petition, Mr. Owens was on vacation and was never re-approached by Mr. Turley or by WCSA soliciting his interest in the project.

As it stands, Mr. Owens has told us on several occasions that unless WCSA gave him the opportunity of purchasing a connection for \$1,150, no easement would be signed allowing waterline to be installed across his property. Because Mr. Owens was never approached about signing a user agreement, we would recommend allowing Mr. Owens to do so now.

Discussion ensued. Mr. Cornett explained that Mr. Owens was never

Washington County Service Authority Board of Commissioners
October 26, 2009 Regular Meeting Minutes

approached regarding the connection fee option; this has been verified by Mr. Turley.

Mr. Stout made the motion to allow Mr. Owens to connect on for \$1,150 if he agrees to sign an easement allowing WCSA to go across his property. Mr. Stout's motion was seconded by Mr. Stephon, and was approved by a vote of 6-0-0-1.

WCSA / WCSA Customer Newsletter Opportunity:

Some utilities periodically send out newsletters to their customers. Communicating with our customers this way is a means of letting them know about a whole host of things. This would be an easy way of talking about water quality, capital projects, rates, awards, achievements, etc.

We have looked into the cost of adding a newsletter to our customer bills. Surprisingly, the cost is inexpensive for what I think the added value would be. The cost is \$0.005 per bill x 20,500 bills for a grand total of \$102.50. There would be some administrative time developing the content of the newsletter; however, I think this would be minimal, as we are already posting most of the information on our website.

Because this is a new means of communicating with our customers, I wanted to solicit your thoughts before we proceeded. I would propose to publish a quarterly (4x per year) newsletter in with our customers' bills.

Discussion ensued. Mr. Stout asked about the insert in this last bill. Mr. Cornett explained that regulatory agencies require that every so often, we provide customers with information regarding potential risks, cross-connection, etc.

Mr. Blaylock explained that cross-connection is not nearly as policed here as it is in Bristol, Johnson City, etc. Mr. Cornett assured that he thinks the person WCSA hires could help with that.

The overall consensus was that not many of them read the newsletters, but their wives do. The Board thought this could be a great idea to do quarterly.

Mr. Cornett added that there are many things that WCSA could inform customers about. Mr. Stephon felt WCSA could use any/all good publicity.

Metal Castings Request for a Sewer Connection:

Jim Engle of Metal Castings, located at 15331 Industrial Park Road, has indicated that BVU is asking that WCSA consent to Metal Castings connecting to the BVU owned and operated sewer line in the Bristol-Washington County Industrial Park, as [Metal Castings'] septic system is/has failed.

This question has arisen in the past. After further review, we find it unnecessary for WCSA to approve connections to the BVU sewer system. For that reason, the attached letter has been drafted. I would welcome your review and consent to send this letter.

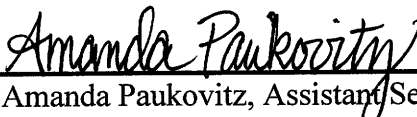
Discussion ensued. The Board consented to the drafted letter.

16. Adjournment

Mr. Stout made the motion to adjourn the meeting. Mr. Stout's motion was seconded by Mr. Blaylock and was approved by a 6-0-0-1 vote of the Board at 9:07 PM.



Mr. Joe Chase, Vice Chairman



Amanda Paukovitz, Assistant Secretary