

Washington County Service Authority Board of Commissioners
November 22, 2010 Regular Meeting Minutes

The regular meeting of the Washington County Service Authority Board of Commissioners was called to order by the Chairman at 7:02 PM.

ROLL CALL

Commissioners Present:

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

Commissioners Absent:

Mr. Kenneth Taylor

Staff Present:

Robbie Cornett, General Manager
Kimberly Harold, Controller
Amanda Paukovitz, Administrative Assistant
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.
Jay Lester, PE, Draper Aden Assoc.
Larado Robinson, PE, Draper Aden Assoc.

Also Present:

Mrs. Dawn Figueiras, General Counsel
WCSA Employees

3. Approval of the Agenda

Mr. Cornett referenced an amended agenda at the Board's stations for their consideration; suggested changes were indicated in red.

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.

4. Public Query & Comment

Greg Case of 18459 Case Cove Drive

Mr. Case addressed the Board regarding the waterlines that have been put in on

Watauga Road; he is hoping they can be moved. Contractors have put the lines in the middle of a field with two hydrants, and he has hit the lines recently. The noted location is across from White Chapel Church. He expressed that it would be great, even if they could T the lines. Mr. Case wanted to know, "Is he liable if a hydrant is hit?" Mr. Case spoke with Jack Garrett six weeks ago. Mr. Case called back again, and has not heard a status update.

Mr. Cornett will look into this matter, and will get back to the Board by the December 27 meeting.

5. Approval of the Consent Agenda

- Minutes: September 27th Regular Meeting, September 27th Recessed Meeting (Held on October 14th) and October 25th Regular Meeting.
- Routine Reports for October 2010.
- Financial Statement for October 2010.
- Check Register and General Manager Financial Report for October 2010.

Mr. Hutchinson made the motion to approve the Consent Agenda with no changes. Mr. Hutchinson's motion was seconded by Mr. Stephon and was approved by a 6-0-0-1 vote of the Board.

6. Engineer's Report and Update

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

• **Route 58 Water Storage Tank**

Project is under construction and DAA is proceeding with Contract 1. Tank was self-grated and Contractor #2 will start putting the piping in next week; the project is slightly behind schedule. They hope to have the tank floor in soon.

• **Monte Vista/Route 58 Corridor Studies**

Washington County Service Authority Board of Commissioners
November 22, 2010 Regular Meeting Minutes

Both studies have been completed and approved by VDH. The latter was presented at the last meeting; the former will be presented later tonight.

- **Exit 13 & 14 Sewer Projects**

They are proceeding in obtaining easements with WCSA Staff and are working on realignments to get easements signed. RD needs to further review the project. Mr. Chase inquired about the project's timeline. Mr. Hancock explained that they are moving around some lines to accommodate people, but will restake the lines (in some places, a third time). They continue towards completion.

Mr. Stephon asked how many needed easements remain. Mr. Osborne noted that WCSA still needs to obtain 74 of the 309 necessary easements.

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)**

All necessary approvals have been given by Legal Counsel and by RD. The loan closing and pre-construction conference is scheduled for December 1. They expect work to begin on the raw waterline and intake in December. The Contractor will do submittals on the DWP and commence work in February. They are ready to go with the contracts.

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

Contract documents were delivered to Mrs. Figueiras moments ago from Classic City Mechanical, who was the low bidder on two of the three contracts. [Elliot, Lawson & Minor] have reviewed documents for Boring Contractors, who were the low bidders awarded Part 3. Project will target to close during the

week of December 13. RD projects must be closed by the end of the calendar year for interest reasons.

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

They finished the water pump station, and the walls have been poured for the lower floor of that building. After installing two of the three sedimentation basins, the contract is 30% complete at this time and continues to go well.

- **Mill Creek Water Treatment Plant**

The next meeting is scheduled for November 29 to finalize cost estimates for the various alternatives. They will be presenting those alternatives to WCSA Staff at the next meeting.

- **Reedy Creek Road Water Improvements**

The previous agenda [for tonight's meeting] had an item listed for approval to advertise. However, they have a public hearing scheduled for December 6 and the publication of the Finding of No Significant Impact (FONSI) need to take place prior to VDH will grant permission to advertise. Possible advertisement date will not take place until after the first of the year. Mr. Lane asked Mr. Cornett to postpone their request to seek the Board's permission to advertise prior.

- **WCSA Administration Building**

Pre-construction conference was held today. In December, the Contractor will be preparing the temporary Customer Service area for WCSA Staff to use so he can demolish the current customer service area and make improvements to the lobby. WCSA Staff has been helpful in coordinating with the contractor. The contractor will begin work in January and is scheduled to commence in May.

Mr. Chase later inquired if the office renovations will impact the drive thru. Mr. Lane expressed that it definitely

Washington County Service Authority Board of Commissioners
November 22, 2010 Regular Meeting Minutes

will. The renovations will involve completely redoing the drive thru area. He expressed that the contractor and Staff have thought through the process pretty well and will use a lot of signage to lead customers in the right direction. Mr. Lane affirmed there will be a fairly significant disruption for awhile.

- **Western Washington County Sewer Study**

They are waiting to hear back from the Washington County Board of Supervisors and the Industrial Development Authority for their input on the study. Mr. Lane is hoping for the study's completion in February.

- **Western Washington County Water Study**

The study has been submitted to VDH to move forward. The Lane Group has final comments that are being answered; the response to comments should be completed by December 3 so they can wrap up the study.

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

- **Whites Mill Road Improvements**

They have scheduled the loan closing and pre-construction conference for December 1. They hope to issue a notice to proceed soon thereafter and begin construction in December.

- **Orchard Hill Road Improvements**

Construction is complete. They still need a final inspection with WCSA, which is to be completed in the very near future.

7. Water & Wastewater Construction Projects Report and Update

Mr. Cornett referenced Mr. Canody's Engineering Report in the Board Books. He noted the following small updates:

- Update on the number of SOQs for the Town of Damascus/WCSA

Sewer Study was six (Note: was previously unnoted). They are looking forward to reviewing those SOQs. He has given copies to Mr. Stephon and Mr. Miller. The front of the Commissioners' Resource Notebook has information regarding how to go about ranking the candidates prior to meeting. Tentatively, they are hoping to meet the week of December 13 to proceed and shortlist firms for interview. Mr. Cornett will touch base with those gentlemen shortly to check their availability and to coordinate a date that will work well for everyone. WCSA has not yet delivered SOQs to the Town of Damascus [Committee Members]; he is hopeful to do so tomorrow.

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 October:

Water Production

- Produced over 200 million gallons of drinking water.

Distribution

- Coordinated the outside purchase of little more than 25 million gallons of water, bringing the total to about 7.3 million gallons per day.

Meter Department

- 143 customers were telephoned following unusually high usage.

Customer Service

- Little more than \$11,000 was abated for 75 customer water leaks.
- More than \$3,000 was written off as bad debt more than three years old.
- 4 water taps and 1 wastewater taps were applied for.
- Handled 173 reconnections/transfer of

Washington County Service Authority Board of Commissioners
November 22, 2010 Regular Meeting Minutes

service requests in October.

- Late charges were added to little more than 3,600 accounts [erroneously read as little more than \$3,600].

Maintenance

- Repaired 38 leaks and 5 major breaks.
- Constructed 2 water taps & 1 wastewater tap.
- Responded to 38 after hour call-outs.

Wastewater

- Treated little more than 9 million gallons of wastewater in the last month.

Accounting

- Continues to pursue the Debt Setoff Collection Program (Note: There has not been much significant change, due to the time of year. Accounting has continued with their regular duties and has assisted with the procurement of company uniforms for field personnel.).

Administrative Items

- Mr. Cornett reported on the Hillandale Road requests previously made by George Price, as well as the Chip Ridge and Whites Mill Road requested extensions:
 - The likely cost to extend Hillandale [Road] would probably be more than \$100,000. WCSA would need to close the loan before the work could proceed; this brings up some contractual issues, which do not seem feasible. Regarding user agreements, Mr. Cornett has spoken with Mr. Andis, Mr. Asbury and Ms. Henderson, who do seem interested. He has talked with the original project champion, Mr. Wayne Turley. The only reason [Mr. Turley] did not contact Mr. Asbury or Ms. Henderson before regarding the waterline extension down Hillandale Road is because it was his understanding that we needed Mr. Andis' signature for willingness to provide an easement, not for the extension itself (Note: his property does join Maiden Creek Road, where the waterline is currently being constructed. The user agreements were passed around in 2007 and those folks have been afforded the opportunity to sign a user agreement for the previous connection fee; this is consistent with

what has been done when individuals have not been notified by the project champion. This could possibly turn into an additional project, but it would take some additional time before they will know if they can officially proceed. Other people have made similar requests, to which Mr. Cornett has responded similarly. He has shared this information with The Prices and has not heard anything back; WCSA will pursue this as a "stand alone" project.

- Though Mr. Cornett does not know this for sure, the Price's, who advocated for this area at the October meeting, may have hoped/thought that the "excess" funds allocated by VDH for the Rich Valley/Maiden Creek project could be used here. That may be something worth looking into. However, the loan for the Rich Valley/Maiden Creek Project will have to be closed by the first of December or else WCSA will be in breach of contract with the contractor.
- Concerning Mr. Glen Wise, Mr. Cornett did not know when Mr. Price spoke of Mr. Wise at the board meeting that Mr. Wise had already inquired with WCSA about a connection at the old rate. It is our understanding that Mr. Wise was not the owner of the property when the petition was originally circulated.
 - WCSA's policy is to offer all existing area residents at the time the petition is circulated the opportunity to sign a petition or user agreement for service. Mr. Price reported being unable to locate the owner at the time of the petition and therefore, was unable to request a signature of the owner. Mr. Cornett thinks Mr. Price reported that Mr. Wise was not a resident of the area until October of this year. Since Mr. Wise was not an area resident at the time the petition was circulated, WCSA informed him that he was not eligible for a connection at the old rate (\$1,600).
 - The only exception WCSA has made in the past in allowing someone to have a connection at a previous rate is when we can determine that they were not "contacted", not when they did not own the property. He thinks our response to Mr. Wise was consistent with the way we have handled all similar requests in

Washington County Service Authority Board of Commissioners
November 22, 2010 Regular Meeting Minutes

the past. Mr. Cornett humbly concurs with the decision of the Staff.

- WCSA has and continues to provide support to the Board of Supervisors for a series of Public Information Meetings, which they have scheduled. Seven of the eight meetings have been held so far. As concerns WCSA, most meetings have gone well with few questions raised. Two of the three Jefferson District Meetings raised questions concerning WCSA's connection fees; they think all of WCSA's funding is in the form of grants, opposed to actual loans.
- Mr. Cornett referenced a chart attached to his report of the nonresidential connection fees that are *pending* and *paid* in our water and/or sewer systems for the current fiscal year.

9. Consideration of a Holiday Gift and Lunch for WCSA Employees

Mr. Cornett reviewed the Board Update within the Board Book regarding this agenda item. He encouraged the Board to consider at least equal to what was provided last year. Salary wise, he explained that WCSA is under budget; this is partially due to unfilled positions. Mr. Cornett has seen increases in performance throughout the last three years of performance evaluations.

Mr. Stephon made the motion to award WCSA employees a \$300 cash gift after taxes and a barbeque luncheon (Note: the same as what was awarded in 2009). Mr. Stephon's motion was seconded by Mr. Coleman, and was approved by a Board vote of 6-0-0-1.

Mr. Chase thanked the WCSA Staff for its efforts. Mr. Cornett affirmed that once a date is set, WCSA will be inviting the Board, past Board members, WCSA Staff and retirees. He explained that we try to hold the luncheon a week or two ahead of Christmas.

10. WCSA 2009-2010 Audit Report

Deanna Cox of Robinson, Farmer & Cox approached the Board and gave a brief

presentation. She was thankful there were no delays this year. Ms. Cox briefed the Board on the Overall Financial Report: WCSA had \$700,000 gains in assets and there were no significant reporting deficiencies by management, etc. Due to ARRA funds, they were required to perform a single audit; this is additional to what they normally perform. Ms. Cox explained that everything was done that was required and the Accounting Staff passed with flying colors. She and her colleagues found no discrepancies. Ms. Cox offered to answer any questions the Board may have.

Mr. Stephon and Ms. Cox commended the Accounting Staff; Mr. Cornett echoed their comments as well.

11. Monte Vista and Crescent Drive (Route 91) Water System Improvements Presentation

Jay Lester of DAA came back this month to present the results of the Monte Vista and Crescent Drive Studies. Mr. Lester and Mr. Larado Robinson made a 15 minute presentation. Mr. Lester presented the problem identification and conclusions through maps, graphs and slides, titled: Study Area, Problem Identification, Problems Solved, Project Cost and Questions. Mr. Robinson's presentation, which was bookended by Mr. Lester's, referenced the approach and recommendations through maps, graphs and slides, titled: Study Approach, Recommendations & Solutions. Mr. Lester offered to answer any questions the Board may have. Mr. Miller asked if WCSA has had many customers with problems or breakage. Mr. Cornett explained that we have had customers who have referenced issues of high pressure more than anything, on top

Washington County Service Authority Board of Commissioners
November 22, 2010 Regular Meeting Minutes

of breakage. He noted that going out that direction along 91 is the highest provision of water in that area, towards the Clinch Valley Community. This work allows for elimination of the Manhaim pump station.

Mr. Chase asked how many customers are involved in the area. Mr. Lester was unaware; Mr. Cornett referenced upwards towards 50 customers.

Mr. Hutchinson noted the pivotal point, which is the peak on Crescent Drive. He inquired of the probability of pressure dropping below 20 psi due to possible technicalities. Mr. Lester explained there is always a possibility of major breaks in proceeding. However, this is always a worst case situation. Mr. Hutchinson wondered if there is some kind of safe way to put PRVs in the system. Mr. Lester explained that in creating this scenario, they would work to provide a pressure reducing valve. Mr. Hutchinson inquired of the population; Mr. Coleman was unaware. Mr. Lester expressed that there are quite a few homes. Mr. Robinson explained that at the point where there is 20 psi, it is crushing a small ridge. Luckily, there are no customers at this point. Mr. Cornett inquired if DAA recalls if there is two times the daily demand at the 20 psi. Mr. Lester noted that they cannot get 20 psi a minute. Mr. Robinson noted that they will add a fire hydrant. Mr. Hutchinson was under the impression that Buchanan is fed from Crescent Drive; he thanked Mr. Lester for the explanation.

Mr. Stout asked Mr. Cornett if this study affects the Red Fox Lane project area. Mr. Cornett provided an explanation and expressed their hope that VDH will fund the project.

(Note: Agenda Item #12 was omitted on the Amended Agenda.)

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

Mr. Stephon read the following Closed Meeting Motion:

Mr. Hutchinson 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.

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

Mr. Hutchinson's motion was seconded by Mr. Miller and was approved by a 6-0-0-1 vote of the Board. The Board adjourned to Closed meeting at 8:06 PM.

Return to Public Session

Upon a motion by Mr. Stout, a second by Mr. Stephon, and a 6-0-0-1 vote by the Commissioners, the Board returned to Public Session at 10:14 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

Washington County Service Authority Board of Commissioners
November 22, 2010 Regular Meeting Minutes

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 and Mr. Stout.


14. Late Items

Mrs. Harold noted that earlier this month, WCSA received Proposals for Financial Advisors. Upon Mr. Cornett's recommendation, she requested extra copies. Mrs. Harold thought the Board may want to form a committee to review the RFPs for Financial Advisors and weigh in on the decision process as well. Mr. Cornett elaborated on the process and the reasons for acquiring a financial advisor (i.e. yield calculations, current loan closings, etc.). He asked for two Board members to review the RFPs with he and Mrs. Harold; Mr. Hutchinson & Mr. Chase volunteered to participate. Mr. Cornett provided both volunteers with RFPs to review after the meeting. Mr. Cornett explained that departmentally, WCSA presents budgetary items to the Board. He expressed that last year, replacement of six telemetry units was included within the budget. Rather than doing all installs at one time, WCSA has been doing them a few at a time. A price decrease allows

for the purchase of eight units for the same price as six; the latter have already been received. Mr. Cornett asked the Board if they would be in opposition to purchasing the eight units. Mrs. Harold believes the Board had budgeted \$30,000. She explained that this would be a good time to get two additional units (which are needed) at the great price, and would involve no budget increase. The Board concurred with purchasing eight telemetry units for the price of six units.

15. Adjourn or Recess

Mr. Stout made the motion to adjourn the meeting. Mr. Stout's motion was seconded by Mr. Stephon and was approved by a 6-0-0-1 vote of the Board. The meeting was adjourned at 10:22 PM.


Mr. Joe Chase, Chairman


Amanda Paukovitz, Assistant Secretary