

**Washington County Service Authority Board of Commissioners  
December 27, 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  
Mr. Kenneth Taylor

Staff Present:

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

Consultants Present:

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

Also Present:

Mrs. Dawn Figueiras, General Counsel  
WCSA Employees

**3. Approval of the Agenda**

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

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

**4. Public Hearing Regarding the Disposition of WCSA's Island Road Property**

Mr. Chase announced the purpose of the Public Hearing. He also noted that the advertisement for the public hearing ran in the paper on Wednesday, December 8, 2010. Mr. Cornett proceeded by providing background information:

WCSA has been asked by Bobby Sproles, Jr. to consider selling property owned by WCSA on Island Road in Bristol. The property has approximately 50' of road frontage on Island Road and is roughly 85' deep. The property appears to have been cut out of a larger piece of property years ago. He referred to a map at the Board's stations. A title search has not been performed at this time to determine when it was acquired or what we paid for it. However, we do know that the property was used by the Goodson-Kinderhook Water Authority (before WCSA was chartered) as an office and maintenance facility. Approximately 15 years ago, the structures that were on the property (an old house and garage) were demolished due to their poor condition and comments from residents living in the neighborhood. Soon after the demolition of the office and shop, due to a reported conflict with a landowner, the property was fenced with chain link. For the better part of 15 years, WCSA has very rarely used the property. When it has been used, it has primarily been for the storage of stone.

In August 2010, Mr. Cornett and key WCSA Staff were consulted about the future use of this property. The only reasonable future use that they could think of is that of a pressure reducing valve (PRV) station. The statutory requirements that the Authority must follow when disposing of real property is as follows:

Va. Code 15.2-1800 (B) Subject to any applicable requirements of Article VII, Section 9 of the Constitution, any locality may sell, at public or private sale, exchange, lease or lessor, mortgage, pledge, subordinate interest in or otherwise dispose of real property, which includes the superjacent airspace [except airspace provided for in § 15.2-2030] which may be subdivided and conveyed separate from the subjacent land surface, provided that no such real property, whether improved or unimproved, shall be disposed of until the governing body has held a public hearing concerning such disposal.

The statutory requirements for [notices of]

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public hearing are as follows:

Va. Code 15.2-1813. Any public hearing required by this chapter shall be advertised once in a newspaper having general circulation in the locality at least seven days prior to the date set for the hearing.

Mr. Cornett added that the Notice of Public Hearing was published in the Bristol Herald Courier on Wednesday, December 8, 2010; WCSA has met that requirement.

About two years ago, WCSA disposed of a small piece of property in Emory where WCSA had a water storage tank site. That piece of property was sold by private sale to Mary Johnson.

Presently, other than for a possible PRV station, this property is of no real use to WCSA. For that reason, and because the property would appear to be of no interest to anyone except for Mr. Sproles, subject to a title search and any comments for or against the sale of this property that may be voiced here tonight, Mr. Cornett proposed that the Board consider taking the following action:

1. Request a title search of this piece of property by WCSA General Counsel.
2. Authorize the General Manager to act as WCSA's agent in negotiating the sale price and to sign the deed of sale.
3. Sell the property by private sale to Mr. Sproles, subject to an easement being reserved for a possible PRV station and Mr. Sproles paying the closing costs for the associated sale.
4. Report back to the Board at the conclusion of this work.

Mr. Chase opened the floor for public comment regarding the sale of the Island Road Property; there was no one present to do so. Mr. Cornett expressed that he received a voicemail this afternoon from Mr. Sproles. He had previously planned to come to the Public Hearing and speak for the sale. However, due to the weather and his work, he was unable to attend. Mr. Sproles asked that Mr. Cornett relay that information.

Therefore, Mr. Chase closed the Public

Hearing and asked the Board for suggestions and a motion.

Mr. Miller made the motion to approve the four action steps, as detailed by Mr. Cornett. Mr. Miller's motion was seconded by Mr. Hutchinson.

Mr. Chase opened the floor for discussion by the Board. Mr. Stout and Mr. Taylor had questions regarding the size of Mr. Sproles property and the size of the property in question. Mr. Chase asked if WCSA had a figure in mind; Mr. Cornett is waiting for the results of the title search. Mr. Miller affirmed that the property in question is not worth much on its own.

Mr. Miller's motion was approved by a 7-0-0-0 Board vote.

#### **5. Public Query & Comment**

There was no Public Query & Comment.

#### **6. Approval of the Consent Agenda**

- Minutes: November 22 Regular Meeting.
- Routine Reports for November 2010.
- Financial Statement for November 2010.
- Check Register and General Manager Financial Report for November 2010.

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

#### **7. Engineer's Report and Update**

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

- **Orchard Hill Road Improvements**  
Construction is complete. The final clean-up change order is circulating for signatures and VDH approval. He noted there is a net reduction in the final

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contract cost of \$19,000. They are awaiting final paperwork from the contractor and then they will be able to close out and finish the project.

- **Whites Mill Road Improvements**

They had the loan closing and pre-construction conference earlier in the month; both went well. The project is in a position to issue a notice to proceed. The noted possible start date for construction could be Monday, January 10 (two weeks from today).

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

- **Route 58 Water Storage Tank**

Contract 1 is still ongoing. The contract time has expired, so they have requested an extension of time; they are still conferring with Staff. The tank site has been finished and they have as much of the 24" water line in as possible. Due to the weather, they have not yet started Contract 2. All shop drawings and submittals have been approved. They are waiting on the weather at this point.

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

Project has had good progress. They received emails from the archaeologists last week; they have finished their research studies and had no significant findings. DAA has submitted the permits to the Corps of Engineers (for the stream crossings) and have submitted plans to RD for approval. Easements are coming along well also.

- **Exit 14 Interceptor**

They have submitted plans to the town. They are looking to get started once those plans have been approved.

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

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

Project continues to move along. The contractor has finished work on the three sedimentation basins, which is a critical part of the work; they are in service and are working pretty well. They are at 33% completion (which is somewhat behind, due to the weather).

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

Pre-construction conference has taken place. Mr. Cornett issued the contracts and three Notices to Proceed today. The middle of February is the expected time for the project to be well underway.

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

They have had the loan closing. [Mr. Lane] and Mr. Cornett have attended a meeting with the Town of Glade Spring. They have tentatively scheduled the pre-construction conference and plan to issue the Notice to Proceed on January 4.

- **Reedy Creek Road Water Improvements**

Mr. Matthew Lane will speak about this project later; he plans to ask permission to advertise the project for bids.

- **Mill Creek Water Treatment Plant PER**

They have completed reviewing the alternatives. They have also moved on to the implementation stage with the Town Manager and Project Manager.

- **WCSA Administration Building**

They are hoping the contractor will get going soon; all work should be completed by April of this coming year. WCSA Staff (especially Customer Service) will be aggravated by the construction; they hope to move the work along as swiftly as possible.

- **Western Washington County Sewer Study**

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They have had meetings and have developed a schedule. They hope to have alternatives in place by the end of January; Mr. Cornett has scheduled a follow-up meeting for brainstorming. Also, they hope to select an alternative in February and be in a position to present the results in March of this [upcoming] year to the Board of Commissioners, Board of Supervisors and the Industrial Development Authority (IDA). The study continues to move along.

**8. Water & Wastewater Construction Projects Report and Update**

Mr. Canody referred the Board to the Engineering Board Book Report, printed on purple paper behind Tab #6. He provided the following updates:

• **Chestnut Mountain Road**

The Notice to Proceed has been issued to both contractors. The stream crossings must be completed by December 31 by requirement of the regulatory agency, due to concerns for endangered species. The loan will be closed on December 30.

• **Rich Valley Road/Litchfield Road and Rich Valley Road/Maiden Creek Road Projects**

Both contractors are proceeding, one much faster than the others. The Rich Valley Road/Litchfield Road Project is about 90% complete; they are way ahead of schedule (Note: Notice to Proceed was issued on September 17) and substantial completion is required by June 14. The Rich Valley Road/Maiden Creek Road Project is about 36% complete; the project is running right on schedule, depending on the weather.

• **Sutherland**

WCSA Staff understood from officials that Tennessee's acquisition of easements was essentially complete. In the last couple days, WCSA has learned

otherwise; they are currently working to obtain those easements. Staff is dealing with a lot of environmental agencies (national, federal & local) and is waiting for a response from the forest service regarding which state will regulate the project; part of the awarded grant money came from the Cherokee National Forest in Tennessee. The State of Virginia is concerned with endangered species, more so than the State of Tennessee. They are looking to hopefully advertise and bid the project in February/March, depending on the acquisition of permits.

• **Damascus/WCSA Sewer Study**

Mr. Canody expressed that although not on the agenda, Acquisition of Professional Services for the study is being done by WCSA in accordance with the Professional Services Procurement Flow Diagram (referenced by Mr. Canody). Last Wednesday, the committee had a meeting; Don Morgan and Lannis Green (Town of Damascus Counsel Members), Mr. Stephon and Mr. Miller, along with WCSA Staff April Helbert, Tommy Dotson, Mark Osborne, Robbie Cornett and [Doug Canody] were in attendance. The committee has considered statements of qualifications. They have had six submittals, which they have read, and are prepared to offer a shortlist to the Board for its concurrence. The shortlist is:

- The Lane Group, Inc. partnered with Olver, Inc.
- Anderson & Associates (based in Blacksburg)
- Smith, Seckman & Reed partnered with Mattern & Craig (the former is based in Memphis and the latter has offices in Johnson City, Roanoke and Kingsport).

Mr. Canody expressed that if the Board concurs, the committee has tentatively

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planned to interview the approved shortlist of firms on January 20.

Mr. Chase if this would require a motion by the Board; Mr. Cornett affirmed this. Mr. Hutchinson made the motion to approve the shortlist of firms to proceed with interviews. Mr. Hutchinson's motion was seconded by Mr. Miller and was approved by a 7-0-0-0 Board vote.

### **9. 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 November:

#### **Water Production**

- Produced little more than 190 million gallons of drinking water.

#### **Distribution**

- Coordinated the outside purchase of more than 22 million gallons of drinking water, bringing the total to about 6.8 million gallons per day.

#### **Meter Department**

- 119 customers were telephoned following unusually high usage.

#### **Customer Service**

- Little more than \$8,000 was abated for 67 customer water leaks.
- More than \$4,800 was written off as bad debt more than three years old.
- 6 water taps and 1 wastewater taps were applied for.
- Handled 154 reconnections/transfer of service requests in the last month.
- Late charges were added to over 4,156 accounts.

#### **Maintenance**

- Repaired 32 leaks and 10 major breaks.
- Constructed 10 water taps.
- Responded to 56 after hour call-outs.

#### **Wastewater**

- Treated little more than 9.3 million gallons of wastewater in the last month.

#### **Accounting**

- Accounting has pursued procurement of

Financial Services and Uniforms, and has updated WCSA's Rate Model.

- Continues to pursue the Debt Setoff Collection Program. There have been \$94,000 in Total Submissions and we have collected little more than \$10,000 for 121 claims.

#### **Administrative Items**

- WCSA Maintenance Staff successfully completed the replacement of 260' of 20" water line on the Lilly property adjacent to Sinking Creek. This water line is privately owned but was damaged in 1995 by the contractor of the sewer line installation from the Virginian to the BVU-owned line along King Mill Pike. The leak created seemed to worsen through the years and repairing the line seemed appropriate. However, upon examining the damage, Staff ruled the line better to be replaced rather than be repaired.
- WCSA is delighted to report that three WCSA sewer projects were selected for funding by DEQ at a 1% interest rate for 20 years. Those projects include Exit 13 Phase 2 & Phase 3 and the Lowry Hills Community. WCSA will be evaluating this offer shortly to determine whether or not the terms are feasible, in light of and in comparison to the terms and conditions of an unofficial competing offer from RD.
- WCSA continued to support the Board of Supervisors by attending and/or making presentations at a series of Public Information Meetings. All eight of the scheduled meetings have now been held. On December 21, 2010, a follow-up letter was issued to the Board of Supervisors that summarized the questions/comments and our responses.
- At the December 6, 2010 Meeting for the Joint Utilities Committee, Mark Reeter, County Administrator, asked that [WCSA] develop a presentation that would clearly demonstrate how we arrived at our system fee that is currently being phased in and

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subsequently present that to the County's Economic Development Committee. Mr. Reeter indicated that the County needed to address water and sewer capacity before entertaining industrial prospects in Washington County. Moreover, he thought that if the EDC could be convinced that our growth-related costs were as advertised, they may be willing to "prefund growth". Mr. Cornett is in the process of coordinating such a presentation for Mr. Reeter's consideration first, then the EDC's. Mr. Reeter is confident that distaste can be resolved and this could be a step in the right direction.

- Mr. Cornett referred the Board to an attached chart of the nonresidential connection fees that are *pending* or *paid* in our water and/or sewer systems for the current fiscal year. Note: highlighted areas indicate updated sections.

Mr. Chase commended Mr. Cornett on his report that was sent to the Board of Supervisors regarding the Project Information Meetings. Mr. Cornett thinks the Project Information Meetings were just as educational for him as the residents who think WCSA projects are funded by grants; those residents now know our projects are funded by loans that WCSA has to pay back over 20 to 40 years. He believes these efforts could possibly better WCSA's communication efforts with County residents. Mr. Chase added that he hopes the Board of Supervisors realize how much some of the projects cost per connection fee. Mr. Stephon commended Mr. Cornett for his letter as well.

**10. Permission to Advertise the Reedy Creek Road Water System Improvements Project for Construction Bids**

Mr. Matthew Lane provided a project update. He noted that there were quite a

few easement issues; they were able to redesign the line to avoid those issues. The project is being funded by VDH. Mr. Lane has been unable to get in touch with those who still need to be contacted. However, he believes they are ready to advertise the project for bids, pending approval from VDH.

Mr. Stephon made the motion to approve advertising the project for bids, pending approval from VDH. Mr. Stephon's motion was seconded by Mr. Stout and was approved by a 7-0-0-0 vote of the Board. Mr. Lane thanked the Board.

**11. Consideration of the Authorizing and Approving the Issuance Award and Sale not to Exceed \$98,983 in Water System Revenue Bonds for the Cost Overrun Loan Funds for the Chestnut Mountain Road Project**

Mrs. Harold reminded the Board that in November, Mr. Canody presented budget overruns for the Chestnut Mountain Road Project. The Board approved accepting additional VDH funds. However, the Board had previously approved the issuance of the bond in 2006 for \$205,000. Mrs. Harold is asking the Board to approve the issuance of the bonds, now including the additional [\$98,983].

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

**12. Permission to Advertise the Exit 13 Wastewater Collection System Phase 1 Project for Construction Bids**

Mr. Hancock expressed that they have made pretty good progress on the project, and hope to receive approval from RD to advertise the project for bids (hopefully prior to the January Meeting). Mr. Hancock sought the Board's

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permission, pending RD approval.

Mr. Stout made the motion to approve advertising the Exit 13 Wastewater Collection Project Phase 1 for construction bids, contingent on RD's approval. Mr. Stout's motion was seconded by Mr. Stephon and was approved by a 7-0-0-0 vote of the Board.

**13. Consideration of Two Amendments to the Route 58 Water Storage Facilities Engineering Agreement**

Mr. Canody referred to Board Update Item #13 for the Board's reference. He provided the following background information:

Subsequent to the development of the engineering agreement approved by the Board and start of construction of the Route 58 Water Storage Tank earlier this year, there have been several developments that have led DAA to seek additional compensation for work already performed or being performed. In summary, these developments are as follows:

- The storm drain from the detention pond to the receiving stream had to be designed and constructed to satisfy the adjoining property owner. For this design work, DAA is requesting [\$3,521] in fees. The cost to construct the work was \$144,000.
- Revision of the erosion and sediment control plan (ESCP), as a result of A. Morton Thomas and the Department of Conservation and Recreation's site visit and revision, resulting in a much more detailed "phased ESCP". For this design work and paperwork, DAA is requesting \$12,506. The cost to construct the work was \$15,884.

Mr. Canody has reviewed these items in detail. He believes their requests are

legitimate and should be approved by the Board. Mr. Canody has run his own spreadsheets since DAA has begun and he believes the costs are on target. The second amendment pertains to the resident project representative (RPR) budget. Contract 1 (the earthwork) is not complete yet and it appears that it will take at least one more month. Second, there needs to be a geotechnical engineer on site to oversee the work; WCSA will be under budget on that. For RPR services, DAA is requesting an additional \$21,600 for the construction of the tank itself by Crom Corporation. Mr. Canody believes there is some possibility that the RPR budget for Contract 1 (geotechnical engineering) will come in under budget by about \$7,000. Again, this could be seen as a reallocation of the RPR budget. Right now, the numbers do not include those savings; WCSA is not assured the savings will be realized. However, with the addition of these charges, WCSA has thoroughly examined the request, the fees do seem justified and WCSA would still be within the project's construction contingency of \$176,351. Mr. Canody explained that a lot of the work is unpredictable. WCSA Staff recommends the Board take action to approve Amendments 1 and 2 to the Engineering Services Contract with DAA for the Route 58 Water Storage Facilities. Mr. Taylor suggested that Board action involve two motions, as he will have to abstain from Motion 1 [due to potential conflict, Conflict of Interest Act]. Mr. Stephon made the motion to approve Amendment 1 (see attached). Mr. Stephon's motion was seconded by Mr. Coleman and was approved by a Board vote of 6-0-1-0 [1: Mr. Taylor abstained (due to potential conflict under the

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Conflict of Interest Act)].

Mr. Cornett clarified that the additional RPR work is for Contract 1. With this information, Mr. Taylor would have to abstain from Amendment 2 as well [due to potential conflict, Conflict of Interest Act] (Note: Mr. Taylor originally made the second motion, but later withdrew for the above reasons).

Mr. Stephon made the motion to approve Amendment 2 (see attached). Mr. Stephon's motion was seconded by Mr. Stout and was approved by a Board vote of 6-0-1-0 [1: Mr. Taylor abstained (due to potential conflict under the Conflict of Interest Act)].

**14. Consideration of an Offer of Funding for the Rich Valley/Whites Mill Road, Tumbling Creek Road South and Nordyke Road Water System Extension Projects**

Mr. Canody reminded the Board that in March 2010, WCSA Staff asked for the Board's permission to apply for funding for four projects from DWSRF (which is run by VDH's assistance program). WCSA applied for \$1.35 million for the Whites Mill/Rich Valley Road project. The cost per connection was estimated at \$52,575, but could potentially cost \$28,309 if all 52 possible residents connect. Mr. Canody referred to Board Update Tab #14. He noted that the Board should have a copy of the funding application, which notes that WCSA committed a \$1,500 connection for each home that agreed to buy a connection; WCSA actually committed a \$1,500 connection for each existing home that could be served.

Mr. Canody explained that on December 1, WCSA received a [loan] offer for \$1.394 million at 3% interest for 30 years for the Rich Valley/Whites Mill

Road Project, a loan of [\$72,911] at 3% interest for 30 years for Tumbling Creek Road South, and a loan for \$387,829 at 3% interest for 30 years for the Nordyke Road Project; the March 2010 Board Meeting minutes further elaborate on the latter project. The Rich Valley Road/Whites Mill Road Project has had 28 of 52 potential connections commit. The Nordyke Road Project could potentially have 18 connections, 14 of which have signed a user agreement; this results in a 78% participation rate. On Tumbling Creek Road South, the project has a potential of 7 homes to be served; 4 homes (57%) have committed. Mr. Cornett expressed that Mr. Cornett and Mrs. Harold have engaged in conversations with VDH. They have been able to get VDH to bring about a few alternatives; one of which is a loan with 2.5% interest over a 20 year term. Mr. Canody noted that at this time, it is the Staff's recommendation to request and accept these loans from VDH under their terms. He opened the floor for questions from the Board.

Mr. Chase asked for clarification of the alternative from VDH, if it is a loan offer with a 2.5% interest rate over a 20 year term; Mr. Cornett affirmed this to be correct. Mr. Stout asked if this offer would apply for all three projects. Mr. Cornett explained that yes; the offer would apply for all three projects and that is what WCSA Staff would propose. Mr. Miller asked if the projects are all ready to be constructed. Mr. Canody explained that the engineering and environmental reviews remain to be completed. Mr. Cornett noted that when the offers were reviewed for internally engineered projects, WCSA found that they could have all three projects ready to be advertised for construction bids



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within 12 months; he noted this to be WCSA's goal (i.e. regarding plans, design, environmental review, easement acquisition, etc.). Mr. Canody explained that this is an aggressive goal, but it is what was done with the Rich Valley Road projects over the course of little over a year. Mr. Cornett added that reviews sometimes get held up for nine months by agencies. Mr. Canody noted that they will complete this in-house, which should take care of a lot of issues. He explained that completing the work is of strategic importance to WCSA as well; for example, Greendale Elementary School still cannot get adequate fire flow. Mr. Miller inquired of the project's location in reference to the Nordyke Road Project; Mr. Cornett clarified. Mr. Taylor made the motion to accept the loans at a 2.5% interest rate over a 20 year term for the Rich Valley/Whites Mill Road, Tumbling Creek Road South and Nordyke Road Water System Extension Projects. Mr. Taylor's motion was seconded by Mr. Stout and was approved by a 7-0-0-0 vote of the Board.

**15. Consideration of Possible Funding for the WCSA Administration Building Addition**

Mr. Cornett explained that for about 15 years, the public has voiced a number of complaints/concerns for WCSA's lobby area. The Board has been sensitive to that over the years. In addition, the building has had HVAC issues and the roof, which was completely replaced 8-10 years ago, leaks and continues to leak to this day. These circumstances prompted the Board to make the necessary adjustments/improvements.

He noted that the Building Committee, which consisted of WCSA Staff and two Board Members, also felt the need for a

2,800 square foot addition to the rear of the building, costing approximately \$800,000. It had been presented to the Board as an agenda item in December 2009 and due to the economic climate, the Board found it appropriate to delay the addition. The Board indicated that they would desire to pick back up the addition if there were funding options. Mr. Cornett indicated that RD has spoken positively to potentially funding the Building Master Plan as an add-on to an existing project in the form of a loan or grant, depending on the project; that would have to be determined at a later stage, once funding had been pursued more formally.

Before proceeding with plans and specs, Mr. Cornett wanted to gauge the Board's interest. The Building Master Plan includes a roughly 2,500 square foot addition to the building. Upon the completion of the renovation work that will begin to take place next month, he explained there will be two offices that will be occupied by two people, and one office occupied by four people (Note: the office shared by four people is in the customer intake area.). However, the other two office spaces are examples of what has been seen in recent years; we are running short on office space. Mr. Cornett still understands that the economic conditions may not be the most favorable. However, now with the new option of RD funding, he wanted to gauge the Board's interest.

Mr. Chase inquired of the current project's cost and what the addition would entail financially. Mr. Cornett explained that the current project will cost \$279,000; the 2,500 square foot addition will cost an additional \$800,000. Mr. Chase asked about the interest rate RD would offer. Mr. Cornett

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explained that the interest rate will depend on if the funding can be added to a current project, such as the Galvanized Line Replacement, the Drinking Water Plant Expansion, etc. The Galvanized Line Project was just closed at a 2.25% interest rate. If the funds are added to a project with grant funds (i.e. the Exit 13 Project [Phase 1]), the offer could be a grant/loan in proportion to the current 1:1.5 grant/loan ratio. Mr. Cornett cannot speak of the scenario for sure unless we proceed to the next step. Mr. Chase asked if WCSA proceeds and finds we cannot get grant money, he inquired what is involved in proceeding to the next step. Mr. Cornett explained that Staff would have to refine the plans and specs to feel comfortable with the cost estimate and be able to present it to RD in light of the timing. Whatever project the Building Master Plan would be made a part of would have to be a project coming up for advertisement of construction bids real soon or that has substantial leftover funds. He explained that this would take a couple months of work. Mr. Chase asked the Commissioners for their opinion. Mr. Taylor asked if there is a need [for the Building Master Plan]. Mr. Cornett expressed that he is not going to say WCSA could not get by with the office space we have for 5-10 years. However, we are getting a little too cozy; at this point, we could go either way. Mr. Cornett explained that WCSA is getting cozy, but he does not see the need for us to occupy additional spaces for another 5-10 years. He explained that we could either address the issues now to be prepared, or we could wait until a greater need arises and address it then. We have moved two individuals out of the building to make room; Jack Garrett and

Johnny Lester, WCSA's Maintenance Manager and Assistant Maintenance Manager, respectively, have relocated their offices to the Maintenance Shop. Also, in the meantime, we are dividing an office in two, and are taking a third of the mail room to make two more office spaces. We will gain three new office spaces, but will lose some much needed filing and storage space, etc. opposed to gaining the space through an addition. Mr. Taylor noted that the competition of construction prices is tight and are the cheapest you will find anywhere. He expressed that if WCSA sees this as a need for sure in the next 5-10 years, maybe we need to look now. Mr. Cornett agreed; construction prices are as good as they've seen in some time. In the future, the prices may increase again. Mr. Stout also noted that contractors are currently looking for work.

Mr. Hutchinson inquired what was involved in the \$800,000 estimate from the current contractor. Mr. Cornett explained that The Lane Group, Inc. provided the architectural assistance for the master plan and the construction cost estimate comes from The Lane Group's work a year ago. Mr. Lane noted that the estimate includes the addition, along with some floor and wall finishes that were not included in Phase 1; the estimate involves a little more work than just an addition. Mr. Cornett affirmed that he wanted to check in with the Board to see where they stood before considering moving further forward. Mr. Chase noted that they did discuss the Master Plan last year and as Mr. Taylor pointed out, WCSA could get the best bang for its buck. Mr. Cornett explained that if they proceed with plans and specs and get the project funded with another project, the Board would have additional

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opportunities to give the thumbs up or down; tonight is not the final call. Mr. Miller expressed that we have taken on a lot of projects lately that are not revenue generated. He inquired if WCSA would want to take on another and acquire more debt.

Mr. Stout inquired how much WCSA is spending annually on Galvanized Line leak. Mr. Cornett explained that according to the Galvanized Line Study that was performed, it was found that the leaks cost WCSA at least \$1.4 million each year to repair and maintain. Mr. Chase expressed that we could go to the next step in funding to see what all is available. At that point in time, the Board could further evaluate. Mr. Stout said he would be willing to propose the aforementioned to see what Mr. Cornett and the WCSA Staff are able to work out; he affirmed that the Board could always turn down moving forward later. Mr. Stout made the motion to proceed and see about funding for the possibility of an addition [through the WCSA Administrative Office Building Master Plan], with the understanding that it can be turned down later, if necessary. Mr. Stout's motion was seconded by Mr. Hutchinson and was approved by a Board vote of 7-0-0-0.

**16. Consideration of Proposals for New Uniforms for WCSA Operations Personnel**

Mrs. Harold explained that around the first week of October, uniform companies brought by uniform samples to be considered. 50 of WCSA's 52 operations personnel were able to vote (Note: the two employees who did not vote were out of town); WCSA was pleased with the high response. She referred to a chart that was provided to

the Board indicating the top items. Operations Personnel had the opportunity to vote on a polyester t-shirt, a button-up Carhartt shirt and a polo shirt. The top two pant options were the Carhartt cargo pant and a straight leg cotton pant. In addition, they could vote on a winter jacket and a pair of coveralls. Mrs. Harold noted that upon getting recommendations, WCSA received proposals back on December 21. They did advertise for Carhartt or equal clothing. In result, they did find out the weight of the coat and pants. She noted that between columns 2 and 3 of her chart, the weights of the shirts are indicated; they were pretty equivalent. One vendor's pants were lighter (which did not qualify as "or equal"). The first vendor offers a five year contract. Upon negotiation with the top two vendors, Mrs. Harold thought G & K offered the best proposal, with no emblem set-up charges, 90-day outfall and no price increases for three years. On behalf of the WCSA Staff, she recommended G & K as the proposed uniform provider. Mr. Taylor noted that W&L [Construction] uses G & K. Upon Mr. Cornett's inquiry, Mr. Taylor affirmed they have had good service from G & K. When asked, Mrs. Harold noted that WCSA currently uses Aramark.

Mr. Stout inquired about the difference between renting vs. leasing uniforms. Mrs. Harold explained that when uniforms are rented, the uniform company is responsible for laundering and when uniforms are leased, the employee is responsible for laundering. Currently, according to Mrs. Harold's survey, there are 30 employees who launder and 20 who do not. Mrs. Harold noted that those who launder will get less number of sets of uniforms. Mr.

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Stout asked if WCSA was going to let each employee decide what they wanted [launder vs. not launder]; Mrs. Harold affirmed this. She plans to have department supervisors select uniforms for their department to create uniformity within each department.

Mr. Hutchinson asked if G & K had a 90 day satisfaction guarantee. Mrs. Harold affirmed that if WCSA is dissatisfied, we can inform them in writing and G & K will have 60 days to correct the situation; if G & K does not respond accordingly, WCSA has a 90 day out. Mr. Hutchinson made the motion to accept G & K's bid on uniforms. Mr. Hutchinson's motion was seconded by Mr. Stephon and was approved by a Board vote of 7-0-0-0.

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

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

[Mr. Stout] moved that the Board adjourn to Closed Meeting in accordance with the Virginia Freedom of Information Act, Code of Virginia § 2.2-3711 Paragraph (A) (3): Acquisition and Disposition of Property, 2. To Discuss and Consider the Acquisition of Real Property, Code of Virginia § 2.2-3711 Paragraph (A) (6): Investment of Public Funds, 3. To Discuss Various 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. Stout's motion was seconded by Mr. Coleman and was approved by a 7-0-0-0 vote of the Board. The Board adjourned to Closed meeting at 8:26 PM.

**Return to Public Session**

Upon a motion by Mr. Stephon, a second by Mr. Stout [erroneously referred to as Mr. Coleman initially], and a 7-0-0-0 vote by the Commissioners, the Board returned to Public Session at 9:54 PM. Mr. Stephon read the following:

**Certification of Closed Meeting**

Whereas, the Washington County Service Authority has convened a Closed Meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; And whereas, § 2.2-3712 Paragraph D of the Code of Virginia requires a certification by this Authority that such Closed Meeting was conducted in conformity with Virginia law;

Now, therefore, be it resolved that the Authority hereby certifies that to the best of each member's knowledge, (1) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the Closed Meeting to which this certification resolution applies, and (2) only such public business matters, as were identified in the motion convening the Closed Meeting were heard, discussed or considered by the Authority.

AYE: Mr. Miller, Mr. Hutchinson, Mr. Stephon, Mr. Chase, Mr. Coleman, Mr. Taylor and Mr. Stout.

**18. Late Items**

Mr. Cornett brought to the Board's attention the consideration of recessing tonight's meeting to a later date to tour