

Washington County Service Authority Board of Commissioners
February 23, 2009 Regular Meeting Minutes

The regular meeting of the Washington County Service Authority Board of Commissioners was called to order by the Chairman at 7:07 PM.

ROLL CALL

Commissioners Present:

Mr. Gerald Cole, Chairman
Mr. Scott Rector, Vice-Chairman
Mr. Sam Blaylock
Mr. Joe Chase
Mr. Frank Stephon, IV
Mr. D.L. Stout
Mr. Kenneth Taylor

Staff Present:

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

Consultants Present:

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 and Comment

There was no Public Query or Comment.

4. Approval of the Agenda

Mr. Cornett explained that he had no additions or changes to the agenda. Mr. Rector moved to approve the agenda. Mr. Rector's motion was seconded by Mr. Blaylock, and was approved by a unanimous vote.

5. Approval of the Consent Agenda

- Routine Reports for January 2009
- Financial Statement for December 2008
- Check Register ending 1/30/09 (which erroneously reads 1/30/08 on the Agenda)

Mr. Chase made a motion to approve the Consent Agenda. Mr. Chase's motion was seconded by Mr. Stephon. The motion was approved by a unanimous vote.

6. Engineer's Report and Update

Mr. Randall Hancock with Draper Aden and Associates reported on the following projects:

• **Watauga Road Waterline Improvements**

The work is essentially done. The contractor has a leak they're chasing. Otherwise, the work is practically complete, with some minor restoration work left to be finished; weather has influenced the time frame, which has allowed them to get some money back to finish the work at a later date.

• **Route 58 Water Storage Tank**

Plans have been completed and submitted to the Health Department (VDH). There are some property and easement issues that staff have been discussing and they are under consideration

• **Glove Drive Waterline Improvements**

This is presently being worked on and the project is proceeding; it is crucial to get water down there.

• **Seven Springs Water System Improvements**

They've processed some site issues from one of the pump stations. Also, they are working on purchasing some land for the Seven Springs Pump Station. They are proceeding with the Wise Pump Station Improvements, which are going well; includes final electrical work.

• **Route 58 & Monte Vista Drive Study**

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They are now gathering data from staff for the study and are trying to set up a meeting next week, at Mr. Canody's request, so they can coordinate their efforts.

- **Exit 13 Sewer Project**

He noted that Mr. Cornett has a presentation later in the meeting to serve as an update. As of last week, they received what is considered a Final Memorandum of Agreement from the historical society; the document discusses what to do if they find anything historical amongst the project area. The memorandum is highly detailed, and the society has made it quite cumbersome for those who don't abide by the rules. Mr. Hancock passed the memo along to Mr. Cornett, who also passed it along to Legal Counsel for further comment. At some point, WCSA will have to agree to that document, but that is the last needed item for the historical society to agree to the project. Project is moving along well. Mr. Chase asked if that process was something new; Mr. Hancock said no. A Ph.D. Archaeologist in Washington D.C. with the Office of Rural Development rewrote the process to make it a model; she made some revisions on the policy that all now have to abide by.

Mr. Bobby Lane of The Lane Group reported on the following projects:
(Note: the first three projects are new)

- **Galvanized Line Impact Study**

This study will evaluate all galvanized water lines currently used by WCSA, which totals about 200 miles of lines (mostly 2" and smaller). They will look at various alternatives to replacing those lines. One task is creating a prioritization

list for replacement of the water lines (looking at leakage and water usage data). They have completed the data acquisition portion and the system mapping (so that they can conduct the environmental assessment). Also, they are working on the hydraulic model and will report back that work with Draper Aden and Associates.

- **Reedy Creek Water System Design**

This project will include completion of plans, specifications and preparing that project for construction. They have completed the preliminary design and layout; has been submitted to WCSA staff for review. Next step is to identify easements and get them submitted to staff as well. They are trying a different tactic this time; during the review of the preliminary layout, they are working on acquiring easements while the final design is in process.

- **Western Washington County Water Study**

This study includes Western Washington County; a fairly large area of the county currently unserved with public water. Several of the communities involved have appeared before WCSA and the Board to request service. They are beginning to accumulate data for the PER; they will be reporting further in the future as the study continues.

- **Raw Water Intake/ Treatment Plant PER**

They have received approval of their protocol for pilot testing. The pilot plant has been delivered to the Middle Fork site. They will be doing some testing there; hopefully, next week. Will be moving the pilot testing to the South Fork site to complete pilot testing of that raw

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water source; hopefully, in the next three weeks. They have obtained approval for a majority of their raw waterline routing. As far as the archaeological study surveying is concerned, they have been working with WCSA staff and archaeologists to determine if there are any archaeological points of interest along the raw water line and at the water plant; this is in order to prepare the project for funding application.

- Mr. Stout asked if there had been any progress with acquiring an easement from Mr. Gray. Mr. Lane responded that there had not been any positive progress, which he said they might need to discuss in further detail at the March meeting. Mr. Gray has allowed them to enter the property for necessary surveying.
- Mr. Blaylock asked if the water was turned on and ready to tap yet at Mountain Rd./Lime Hill Rd. Mr. Canody confirmed that they have made some taps, and that Phil [Denton] has his tap also. Mr. Lane added that the only thing they had left to do was a start up on the pump station; it is done, but there are still some taps to be made. Mr. Canody confirmed that they are just starting taps on Mountain Rd., and will be doing some pressure measurements to make sure the pump station is working alright.

In the absence of Mr. Kevin Heath of Adams-Heath Engineering (due to a prior commitment), Doug Canody reported on the following projects for Adams-Heath Engineering:

- **Orchard Hill Road**

This project is located in Damascus, between Rt. 91 and Downtown. They are under construction; are able to

eliminate the line that is on top of the ground. The project was just started, but it is proceeding,

- **Whites Mill Road**

This project involves a tank, pump station, and some waterline improvements. They have acquired the tank site and are ready to go to bid. There are some funding considerations, which will be discussed later in Mr. Canody's report.

They would like to ask the Board for authorization to advertise the project for bid, at the staff's discretion. Mr. Cornett added that they were delighted to close on the purchase of the tank site property; this is the last property they needed in order to construct the project. There are two other utility-related releases that they have sought: one from American Electric Power, and they are seeking another from the gas company. He kindly asked that the Board consider advancing the project tonight to advertise for bid in the near future. Mr. Cornett added that they are planning to pay for the project out of Authority reserves, but there is some stimulus money getting ready to be available. They feel they would be successful in obtaining funds via that route; 50% principal forgiveness, i.e. 50% grant funds. This project is "shovel ready", according to the Stimulus' definition. In result, they might delay, though the Board would authorize them to go ahead and advertise if they feel like they would be successful in obtaining funding for this project. They may pursue funding for the project because it would be a significant savings for WCSA; it is about a \$1.8 million project (based on a cost estimate).

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They are prepared to build the project, but funding would provide a significant amount of support.

Mr. Canody added that in talking with VDH, they may require WCSA to obtain some interim financing; it could encourage the funding agency to look favorably towards their stimulus funding application. Mr. Cole asked, if they did the interim financing, what would they say our percentage of receiving that federal financing would be? Mr. Cornett added that because all of this is still developing, he's not sure if we can but assurances on it. He assured the Board that from a budget perspective, WCSA had planned on entirely paying for the project anyways. If they were to receive grant money, it would be a bonus. Within the first year of financing, the remainder of the project could probably be paid with a simple interest loan; they could then pay it off quickly. The project technically meets the definition of "shovel ready", and right now is the prime opportunity to have projects on the street. Mr. Cornett thinks we could get really good prices right now and with interim financing, it will still make WCSA eligible for some of the stimulus money (having interim financed the project).

Mr. Blaylock made the motion to allow WCSA to advertise the project for bid, at WCSA's discretion. Mr. Blaylock's motion was seconded by Mr. Stout. The motion was approved by a unanimous vote.

Mr. Canody added that Adams-Heath Engineering has a couple projects that they need to meet with WCSA staff on in order to get the projects

scoped out; they were projects that were awarded to them during the 2008 CIP process. The projects include: **Green Springs Road Waterline Improvement** and the **Abingdon Water Storage Tank Replacement**. They still need to get together with WCSA and develop contracts for those projects.

7. WCSA In-House Construction Projects Report and Update

Mr. Doug Canody reported to the Board on the following:

- DWSRF Projects:

- Denton Valley Road**

- Project is under construction, and is about 90% complete; construction should be complete in the next month. The project will serve about four connections; it's being funded completely by a grant.

- Maiden Creek Rd. /Rich Valley Road & Litchfield/ Rich Valley Road** (Note: both projects are being funded separately with two similar contracts, but simultaneously)

- These projects are in the environmental review process now; they have received a response at this point from nearly all of the involved agencies. They are anticipating a 2009 bid date. The written environmental assessment will be prepared and the required public hearing will be scheduled within the next month. Layout and final design is underway. They will be prepared to begin easement acquisition within the next month.

- Mendota Road**

- Construction is nearly substantially complete and WCSA will begin to make connections during the next few days.

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- CIP 2008 Outside Engineering Projects
Except for the **Membrane Plant Study**, engineering contracts for Master Agreements and Task Orders for all of the projects awarded to The Lane Group and Draper Aden & Associates have been executed by WCSA, as per Board action at the last meeting. These projects include for Draper Aden: 1) the **Route 58 Corridor Study & Report**, 2) the new **Seven Springs Pump Station and Wise Pump Station Upgrade**, and 3) the **Monte Vista Drive/Route 91 Study & Report**. For The Lane Group, these projects include: 1) **Reedy Creek Road Water Line Final Plans**, 2) **Study & Report for a Strategic Plan to Provide Water to Un- and Under-Served areas of Southwestern Washington County**, and 3) the **Galvanized Water Line Impact Study & Report**.
- They plan to meet with Adams-Heath Engineering during the next month to get the scope work done for 1) the **Green Spring Road Water Line Project**, and 2) the **Abingdon Tank Replacement Project**.
- Tomorrow, in conjunction with the Town of Chilhowie, a scoping meeting for the **Membrane Plant Study** will be held with the engineers selected for the study (The Lane Group/Olver Inc.).
- WCSA Waterline Replacement Projects (utilizing WCSA Staff)
Friendship Road
The project has started and is nearly complete. Pressure testing has been completed and disinfection should be done this week. They hope to have those improvements complete by next week sometime. They will be doing some pressure monitoring to see how much they've done with the hydraulics.
- \$1,500 Projects (where WCSA contributes \$1,500 of materials)
There has not been much change with the \$1,500 Projects since our last meeting. There are two new \$1,500 projects:
Lindell Road
This project will go from Smyth Chapel Road to Old Saltworks Road. They have requested support and are completing the paperwork on those now.
Hillendale Road
This is a fairly long extension and will involve two connections. The homeowners who are requesting it are still trying to get some more participation. They are not sure if the project will go, but they have requested support for this, and are completing the paperwork.
- Fire Hydrant Projects
Hillman Highway
They have spoken with Mark Venable, Meadowview's Fire Chief, concerning obtaining the financial support to buy the materials. Once the money is there for purchasing the materials, according to WCSA policy, they will provide the labor to install the hydrants. They will be following up with him this week on this to see if he has any plans; they will be providing an update at the next meeting.
Vances Mill Road
WCSA has installed a fire hydrant in the Sterling Manor area. We are hoping that once the residents are aware that a hydrant has been installed, there may be a groundswell of support for the hydrants in other

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areas, such as the Westwood area.

- Mr. Stout asked if there had been any progress with the **Chestnut Mountain Road** project. Mr. Canody expressed that they've had some discussions about the issue of connection fees and user agreements, and the issue will be discussed later on in the meeting.

8. General Manager's Report & Update

Mr. Cornett reported on the following for the month of January:

Water Production

- Produced over 199 million gallons of drinking water.

Distribution

- Coordinated the outside purchase of more than 24 million gallons of drinking water.

Meter Department

- 147 customers were telephoned following unusually high usage.
- 674 customers were notified that their water was to be turned off for non-payment.

Customer Service

- Abated 59 bills for water leaks, totaling over \$14,000 in abatements.
- \$10,875.33 was written off as bad debt three years old.

Maintenance

- Repaired 29 leaks & 18 major breaks (18 breaks is fairly high; WCSA averaged 11 breaks per month in 2007 & 2008. This was our second highest number of breaks in 2 years; the highest being 22 breaks in October of 2007. We had an unusual January with quite a bit of rain, followed by severe cold; that results in a lot of ground shifting. The weather called for a lot of effort on Maintenance's part; our sincere appreciation goes out to them).
- Constructed 19 water taps.
- Responded to 53 after hour maintenance call-outs.

Wastewater

- Treated over 11 million gallons of wastewater.

Administrative Items

- After 31 years of employment as Equipment Operator in the Maintenance Department, Ronnie Sullins has decided to retire on February 28. Ronnie is to be commended for his years of service to the Authority; there are few like him and he will be missed.
- Marvin Hawkins has accepted our offer for the position of Crew Member in the Maintenance Department. Marvin joined us on Friday, February 13th and comes to us most recently from T & B Contractors. His various skills and years of experience in laying water and sewer lines will make him a valuable asset to WCSA. He has been involved in water and sewer for many years.
- We are pleased to report that WCSA is the recipient of \$50,000 in planning/design grant funds; \$25,000 for the **Route 58 Corridor Water Supply Study** and \$25,000 for the **Western Washington County Water System Study**. His sincere thanks go out to The Lane Group and their staff for their work in helping prepare the applications for these funds.
- Mr. Cornett referenced a packet at the Board's stations that WCSA sent out to utilities for a Benefits & Compensation Survey. He wanted to let the Board know the utilities that we contacted; the packets were mailed out today, including a letter and the survey.
Mr. Blaylock asked if he expected a response from all of the contacted utilities; Mr. Cornett said no. Mr. Blaylock asked if WCSA had ever used the survey before. Mr. Cornett expressed that it had been done before. We don't know how many have responded to the surveys before, but we do have copies of the surveys and know that some did respond. WCSA is making the effort and is hoping for a

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significant response. Mr. Blaylock asked if WCSA receives the same request often. Mr. Cornett does not know of WCSA receiving one in the last three years, and anything prior to that, he may not have been knowledgeable. The last copy of the report that he has is from 1994 from BVU. Mr. Blaylock expressed that the survey would be very helpful. He also noticed that the survey does not say anything in regards to the various utilities' rates. Mr. Cornett explained that we know what the utilities' rates are, which could be useful. He expressed that WCSA feels that these utilities have some similarities to the Authority, many of which we compete with; some of which we don't. Mr. Cornett feels it would be good to know how we compare.

Mr. Stephon asked if we would be sharing the results. Mr. Cornett explained that we are offering the utilities a copy of the report in the end. However, to be discrete, WCSA will identify the respondents, but won't name them in the report with their results; this provides anonymous results and scope. WCSA is hoping this will create incentive for a response. Mr. Chase asked if we would make a second request if a utility doesn't respond. Mr. Cornett shared that we put a three week time frame for response and we may follow up with a phone call. He shared that we have already contacted each utility already, and have received a completed survey from one utility (although in advance of the request). Mr. Cornett is looking for WCSA to receive at least a 50% response and maybe more. He commended Ms. Roberts and Mrs. Paukovitz for their work on the survey thus far, and he assured the Board that those who did not respond would be further contacted. Mr. Cornett shared that we often have contact with many of these utilities.

9. Safety Committee Report

Rick Clevenger, who is the Water Treatment Plant Manager, has been helping the Safety Committee since December with their meetings and with setting goals for the year. He explained that the Safety Committee is dedicated and committed to the safety of WCSA. The committee, which is comprised of individuals from different depts. and who provide diversity in leadership, wants Mr. Clevenger to form a bond with staff and the Board, and promote safety to a greater extent than in the past. He passed out many different handouts, including: a safety newsletter (to be included in paychecks each month), a committee info sheet (that lists committee members, training topics for the year, present projects, and additional training being considered), a sample survey and its results, and a safety training schedule calendar (including sessions for First Aid/CPR and PPE). He talked about one of their current projects, in which they've installed back-up sonar sensors in the cab of many of WCSA's trucks. Mr. Clevenger is working to purchase some more updated training videos, as participants had suggested through the survey that the videos were pretty dated (i.e. 1969) and they've been overplayed; at the same time, he is yearning to be budget conscious. He talked about the safety posters being circulated and hung in the various buildings. Mr. Clevenger also introduced the committee slogan, "We Need You—Work Safely".

The Board commended him and the Safety Committee for their efforts. Mr. Clevenger expressed a desire for the committee to have a budget for the upcoming year. Mr. Taylor asked if the committee was focusing on group or

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departmental safety; Mr. Clevenger said both. Mr. Taylor also asked about a reward system; he highly recommended one, as did Mr. Blaylock. Mr. Cornett thanked Mr. Clevenger for his efforts. He expressed that one focus of WCSA performance evaluations is a safety aspect; they are working on evaluation criteria, including in regards to safety.

**10. Exit 13 Wastewater Collection
Project Phase, Report and Update**

Mr. Cornett expressed that WCSA is at an opportune moment in regards to the Exit 13 Wastewater Collection Project. He referenced the upcoming Joint Meeting (between the WCSA Board of Commissioners and the Board of Supervisors), and that the Boards would be adopting some agreements as part of this project at that meeting, if they feel so inclined. He wanted to solicit the Board of Commissioners' feedback in preparation for that Joint Meeting and update the Board as to the status of the project; he did so in the form of a 15 minute PowerPoint presentation.

The presentation topics included: Project and Community Background, Septic System Info, an Explanation of the Inter-Municipal Agreement with the Town of Abingdon, Grant Funding and Project Financing, Descriptions of the (Four Potential) Project Phases, The "40 Reasons to Support the Project" (40 septic failures in the community thus far), Property Value Info., Public Sewer Advantages, Efforts to Solicit Support (i.e. Community Meeting, Project Champions, Letters, Calls/Visits, etc.) Connection Fee Info., Landowner Responsibilities, and a Support Update (Of 255 Residents: Yes- 180, Maybe-10, Avoidable- 29, No- 19, No Response/ Out of Town- 17). At this point, there is

roughly 86% support for participation in the project (Note: if the "No Response/Out of Town" landowners respond in the affirmative, support would increase by 6.7%, totaling 92.7%). Considering the state of the project and the limited amount of time WCSA has been engaging with folks, Mr. Cornett feels good about the project. He reminded the Board that ordinarily, WCSA does not go to this level of effort until after the design of the project. This time, WCSA has gone to this much effort to look into easements before final design has been completed. He is confident that WCSA can even improve on the support rate by the time the project reaches final stages. Mr. Cornett then talked about the next steps. There are two options: Board Action or No Board Action. If the Board were to take action, it would mean that Phase 1 could move forward; however, it is a big commitment (it would authorize DAA to create final design and would commit us to the funding). If the Board were to not take action, it would mean there is no commitment; however, WCSA would lose the grant funding and Phase 1, along with any potential future phase, would not happen (Note: there will be other opportunities for the Board to say no if necessary, even if they were to initially commit to the project). He talked about a tentative timeline for the project (if the Board were to take action): wrap up the collection of easements (Feb. 2009), meet jointly with the Board of Supervisors (March 2009) and a Board Decision (Action/No Action from both Boards, and response to agreements with DHCD; March 2009). If the Board(s) were to take action, the remaining tentative timeline would be as follows: creation of final design by DAA (April

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2009), completion of design and ready for advertisement (April 2010), beginning of construction (June 2010), & construction completion (June 2011). Mr. Cornett proceeded with his recommendations, which include: to move forward with executing the funds from Southern Rivers Watershed Enhancement, advise Draper Aden and Associates to move forward with plans for the project, parallel with the Inter-municipal Agreement with the Town of Abingdon, and move forward with obtaining easements and land acquisition needed for the project (Note: much cannot be done with that until there is a final project design). Mr. Stout asked if this was indeed Phase 1; Mr. Cornett affirmed. Mr. Cornett then opened the floor for questions and discussion. He also thanked the WCSA staff members, DAA staff members, and project champions for their much needed efforts. Mr. Blaylock asked if the project is based on current fees; Mr. Cornett affirmed. Mr. Stout asked if action needed to be taken tonight; Mr. Cornett said no and that he simply wanted to provide an informed update prior to the Joint Meeting in March. Mr. Rector asked (for affirmation) if those who say no to the project would still be charged an availability fee; Mr. Cornett said yes. Mr. Stout asked if Mr. McConnell, who owns some apartments in the area and is in favor of the project, was a project champion; Mr. Cornett expressed that he was not. He also asked if he has offered to help. Mr. Cornett explained that he has offered to, but the staff has not employed him to do that thus far; he explained that they felt the desire to utilize residents of the community to serve as our project champions. Mrs. Paukovitz affirmed that Mr. McConnell

has returned a User Agreement, and it was a "Yes" for the project. Mr. Chase brought to the Board's attention that Mr. Jack Anderson, who was one of the project champions, is present tonight. The Board thanked Mr. Cornett for his presentation. Mr. Rector asked how the "big box development" would happen or not happen with this project. Mr. Cornett expressed that in talking with landowners (anyone who might occupy the big box or the developer's), he has met with two of the four landowners and they have not only reassured him of their support for the project, but also their intention to build the line whether or not the property develops commercially. This is for two reasons: 1) the property will not develop commercially without public sewer, and 2) two of the four developers own property within the project area, aside from the property at [Exit] 14. They reassured Mr. Cornett, for what it is worth, that they intend to build that line whether that property develops or not. Mr. Rector asked if they are working on the same time frame as WCSA is. Mr. Cornett replied that the developers are very aware of their time frame and have not expressed any concern or reservations about having the line built by the time of the project's fruition. He said that if not, that would be an expense that WCSA would have to coordinate into the price of this project; they would need to pursue funding for the project that they do not have currently. Although he does not know the cost associated with that, assuming that we can obtain the two needed easements, Mr. Cornett thinks we could financially manage all of that if absolutely necessary. Mr. Rector asked (for confirmation) if we would need to obtain the two easements from them that

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we don't currently have; Mr. Cornett affirmed.

Mr. Stout asked if this is the line they voted to enlarge that goes to the Abingdon Sewer Plant; Mr. Cornett affirmed that it is. He stated that in December 2005, the WCSA Board allocated money to upsize that line. Mr. Hancock affirmed that it went from 8" to 15". Mr. Cornett recapped that they have sized the pump station, force main and the gravity line, sufficiently so, to handle a lot more flow than what could be generated through Phases 1, 2, 3 & 4. This is also in realizing that some of the flow from Oak Park could also come back to the Town of Abingdon for treatment in the future if it needs to, which is just another benefit of the project. Part of Oak Park naturally flows to our pump station, and of it some naturally flows to Bristol. With the construction of a pump station in Oak Park, should there be a need, all flow could be diverted to the Town of Abingdon, or at least part could. Mr. Stout asked if we were sure the line could handle the flow, if constructed in the future. Mr. Cornett affirmed that they have planned for the pump station, force main and gravity interceptor to handle at least 1 million gallons per day (gpd); Mr. Hancock also affirmed. Mr. Rector asked if a 15" line would perfectly handle all flow. Mr. Hancock added that with the hydraulics, it has a perfectly steep slope. They have hydraulically calculated and with plans from the engineers developing that area, it sizes up.

Mr. Chase asked if the connection fees would stay the same for the other phases. Mr. Cornett said that he assumes the other phases would be subject to the prevailing rate at the time the project is pursued. Mr. Stout added that if we get

Phase 1 in place, he thinks the other phases, such as Foxfire, would fall into place. Mr. Cornett added that there has been a lot of interest along Lee Highway and within Fox Fire; he thinks Mr. Stout is right. Mr. Blaylock asked if the 15" line heads towards a pump station; Mr. Hancock said that it would take the flow to the interceptor, which is 24". Mr. Cornett added that one of the items that they worked out in the Inter-municipal Agreement was to be sure that their interceptor had enough capacity between where WCSA would tie in and the plant to handle the flow. That is one of the things the Inter-municipal Agreement has done; they have committed to 1 million gpd from WCSA. Mr. Stout wanted to confirm that this agreement has not officially been approved; Mr. Cornett affirmed that is correct. The Chairman thanked everyone for their efforts.

**11. 2009 (Petition Projects) DWSRF
Waterline Extension Application**

Mr. Canody explained that every year around this time, staff puts together applications for funding requests to the health department. Most of the time what WCSA has received have been loans with lower percentage rates. The funding picture has been thrown into turmoil in the last couple weeks by the signing of the American Recovery & Reinvestment Act, which is the Stimulus money. All the funding agencies that we deal with, such as: Rural Development (RD; a subsidiary of the Department of Agriculture), the Virginia Department of Health (VDH; they get their money from EPA and the state), the Department of Environmental Quality (DEQ; who get their money from EPA and the state), all of whom have gotten part of the

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Stimulus money. President Obama signed the Bill about a week ago, and the agencies are in a lot of turmoil trying to figure out exactly how to get the money out in an efficient way. They attended a meeting last week with the Health Department in which they asked VDH of their plans. WCSA, along with others, are in the process of giving VDH, DEQ and RD input on the projects that they have that are "shovel ready"; it seems that the money was aimed at getting money out on the streets as soon as possible to get construction companies and other people back to work. WCSA has a couple projects that are "shovel ready" that they are trying to move up the ladder; one of which is the **Whites Mill Road Improvements**, which includes a tank, pump station, and water line replacements to fix low pressures and a lack of water (Note: the Board just authorized the project for advertisement).

VDH funding applications are due on March 27, DEQ funding applications are due on March 9 and they are still having conversations with DEQ about what they might accept as fundable projects. WCSA does not have many wastewater projects that they would consider "shovel ready", unless they will allow WCSA to buy a much needed Sewer Vac Truck; they cost about \$500,000 dollars and the maintenance dept. desperately needs one to maintain sewer lines.

Mr. Canody added that they have come up with five projects to apply with DWSRF (the Drinking Water State Revolving Fund), which is the Department of Health's funding arm. The projects include:

Whites Mill Road Improvements

Includes a tank, pump station, pressure reducing valves, and water line

replacements (to fix low pressures and a lack of water).

Whites Mill Road/ Rich Valley Road Project

They applied for funding of this last year, but the project was turned down for funding last year. Completing this project, which will add a new service area, is of strategic importance to WCSA; it connects the new Whites Mill Road project to the Rt. 19 system and allows them to feed in various directions. It increases the reliability of WCSA's system. They have well over 60% support of customers who desperately need the water; they've all agreed to purchase a connection.

Mendota Road Phase 2

This is the second phase of a six phase project to bring water from Rt. 19 to the community of Mendota, which is presently served by a well; the well produces water that is aesthetically unpleasing. This project would be strategic, as the well not only serves 50 connections, but it is predicted to go dry.

Red Fox Lane

This project would serve 4-5 connections and would cost less than \$50,000. The project would serve those classified with a low to moderate income. They believe this project will qualify for a 100% grant. They sent out income surveys last week, which will give them a better idea of the statistics and who is planning to connect.

Rust Hollow

This is another petition project. The petition appears to indicate that more than 50% of the people in the service area will take the connection. It is somewhat unclear, as the forms were filled out incorrectly. Mr. Canody is meeting with the project champion tomorrow morning, who will help them

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straighten out some address issues and other paperwork. In the meantime, they are planning to get the application in on time to apply for project funding.

Mr. Canody brought to the Board's attention various past discussions regarding user agreements vs. petitions. They have talked to VDH about that; they are not as concerned with that issue as one may expect. Mr. Canody explained that they have gone back, looked at their projects and have determined that over 50% of participants in project areas have connected, which is what WCSA has committed to VDH with previously and prior to accepting funding. The exception to that might be the 2-3 projects that they are finishing up currently (i.e. Lime Hill Rd. /Walker Mountain Rd., Mendota Rd., etc.). He summarized that at this point, they have identified projects where they've had more than 50% petition support, and they are: **Whites Mill Rd./Rich Valley Rd. Project, Mendota Rd. Phase 2 Project, Red Fox Lane Project, Rust Hollow Project and an improvement project that will bring much needed improvements to an area where our service is substandard and doesn't meet regulations.** He is hoping that most, if not all, of the projects qualify for the 50% negative interest (grant) funding and 50% in loans. Mr. Canody feels that WCSA owes it to our customers to at least go after the funding.

He anticipates this process to involve a lot of work, and that many staff members will be involved. The engineering staff is part of this effort, along with the administration of WCSA, including: Mr. Cornett, Ms. Roberts, Mrs. Paukovitz, and our engineering consultants, including: Adams-Heath Engineering,

Draper Aden & Associates, and The Lane Group. Staff has sent out many letters thus far to legislatures in VA, the House Appropriations Committee of Congress, State Officials, State Agencies, the Governor, etc.; they have gotten the word out. With the many efforts, they are hopeful WCSA will be successful in receiving funding.

Mr. Canody explained that at this point, they are working on the applications and plan to have them done by the next meeting. They will come back to the Board to request official approval to submit the applications.

**12. Watauga/Good Hope Road
Project, Change Order**

Mr. Hancock referred to change orders for the Watauga Rd. project that were located in their updates. Change Order 1 is in regards to Contract 1 with Little B Construction; they are making a final pay adjustment on it. On Contract 1, Page 2, there is a summary of all the items in the original contract with some additions and some subtractions; they made some adjustments. There was an addition of \$13,309.72; most of that was in result of a couple additional lines they had to make for service and adjustment of the PRV. This totals about 1.5% of their original contract, which they think is pretty good. At Mr. Canody's concurrence, Mr. Hancock recommends the approval of these change orders.

Change Order 3, which is for Contract 2 with Boring Contractors, results from adjustments in the final quantities. This particular change order results from service line changes, bringing about an addition of \$2,384; totals change orders for this project at about \$6,000, which is about 1% of the total contract. Mr. Hancock expressed that they have

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discussed this with WCSA Staff, and they also recommend that the Board approves this change order as well.

Mr. Blaylock asked if Mr. Canody had seen these change orders, which he replied that he had. Mr. Canody noted that their standard is that if change orders come in for a waterline project at less than 5%, you've done a pretty good job. He, along with staff, highly recommends that the Board approves both change orders; he added that DAA has done quite a bit of field work.

Mr. Stephon made a motion to approve both change orders, which was seconded by Mr. Chase. The motion was approved by a unanimous vote.

13. Closed Meeting: Personnel, Investment of 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 Section 2.2-3711 Paragraph (A) (1): Personnel, 1. Briefings Related to Staffing Adjustments, Code of Virginia Section 2.2-3711 Paragraph (A) (6): Investment of Public Funds, 2. Discussion of Various Inter-Municipal and other Agreements, Code of Virginia Section 2.2-3711 Paragraph (A) (7): Legal Advice, 3. Legal Advice Regarding Contract Interpretation and Drafting.

In addition to the Board the presence of Mrs. Dawn Figueiras, WCSA Counsel, and Mr. Robbie Cornett, WCSA General Manager, are requested. The motion by Mr. Stephon was seconded by Mr. Rector. The motion was passed by a unanimous vote of the Board. The Board adjourned to Closed meeting at 8:50 PM

Return to Public Session

Upon a motion by Mr. Stephon, a second by Mr. Chase, and a unanimous vote by the Commissioners, the Board returned to Public Session at 10:15 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 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. Cole, Mr. Rector, Mr. Taylor and Mr. Stout

14. Late Items

The Board began to discuss the Rate Study Presentation. Mr. Cole expressed that he would like time to think about it. Mr. Chase asked if the Rate Study results would go into effect in 2010. Mr. Cornett explained that it depends on the implementation steps; the earliest it would go into effect is July 1, 2009. He explained that if the Board makes a decision tonight or at the March 30

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meeting, he believes there is sufficient time to make the adjustments. Mr. Cole asked if it made a difference what meeting they make a decision at. Mr. Cornett said no. He explained that if they went past March, it would make a difference. Mr. Cole reiterated that as long as they made a decision by March, it would go into effect July 1. Mr. Blaylock asked if they would be making a motion to accept the Rate Study. Mr. Cornett said yes, they would accept the Rate Study as recommended by MFSG (the C Plan). Mr. Rector asked if that would include mandatory connections. Mr. Cornett explained that there are two pages of recommendations in the presentation. To say that they favor mandatory connection, he said, doesn't mean it goes into effect July 1 or any certain time. It says that Legal Counsel and Mr. Cornett have to work together to bring back what they believe is a sound, mandatory connection ordinance that the Board would endorse; they would recommend it to the Board of Supervisors, who would have to actually implement the policy as an ordinance. Mr. Cornett said that by accepting the recommendations, it doesn't mean that mandatory connection will be effective that date; it would mean the Board is formally conveying that they agree with the recommendations, which starts the implementation phase. This involves a public notification, public hearing, two timed advertisements of a public hearing, etc. He expressed that if the Board adopts the recommendations, as presented tonight, or if they ask that they be amended in some way by the March meeting, Mr. Cornett does believe that provides sufficient time for WCSA to hold the public hearing and implement the new rates on July 1. He said that in

addition to that, he would plan to send a letter, at least, to all commercial and industrial customers with a sample bill under the new rate. He explained that he wants to make sure that from the time the Board endorses either what's been recommended or something amended, that there is sufficient time to implement it; hopefully on July 1, which is when the new fiscal year starts, or it could be postponed a month in time, or it could go out as far as January if they wanted. Mr. Cornett expressed that he thinks the closer we could do it to the time the Board endorses it, the better. Mr. Chase made a suggestion, asking if they could get on one piece of paper exactly what MFSG proposed. Mr. Cole asked if MFSG went through this with Mr. Cornett; Ms. Roberts confirmed that they've been through it with MFSG about six times. Mr. Blaylock asked if there had been any red flags that [Mr. Cornett] had seen; he said no. Mr. Blaylock commended MFSG's hard work. Mr. Cornett expressed the importance of communicating policy to customers and prospective customers to explain why our fees are the way they are. He noted that the Board would need to be prepared for any push back; we would need to work together. Mr. Cornett added that we have our report that supports our decisions; he feels quite confident that we are equipped. Mr. Stephon asked if the Board could approve recommendations one/two at a time, or if they had to be approved together. Mr. Cornett explained that they needed to be together; each part of the recommendation affects the other parts. He referenced the slide in the presentation that listed the recommendations. The Board expressed their desire again to see all

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recommendations on one page; Mr. Cornett expressed that he could do it before the meeting.

Mr. Rector expressed a desire to know the required percentage of support (per tens) for projects based on project size on a page as well. Mr. Cornett explained the process to the Board. Mr. Rector also asked how you incorporate mandatory connections without sacrificing people's willingness to provide easements. Mr. Cornett expressed that they ought to go hand in hand. He thinks that with mandatory connection, you get a true sense if residents want water or not. Mr. Cornett explained that the name Mandatory Connection Ordinance is misnoted; Mr. Blaylock said the name itself scares people. Mr. Cornett expressed that it should be labeled, "Connection Policy Ordinance", which gives residents two choices: to connect, or to pay the availability fee. He also shared that those who are concerned with mandatory connection know to ask about the policy. He often refers to it as a Connection Ordinance.

The Board asked when the Joint Meeting would be. Mr. Cornett explained that the Board of Supervisors will be meeting tomorrow night, and will decide on either March 16, 17 or 18 as the Joint Meeting date. They will take action on one of those dates tomorrow night and he said WCSA would get a letter to the Board (along with the rate recommendations page) to inform them.

15. Adjourn or Recess

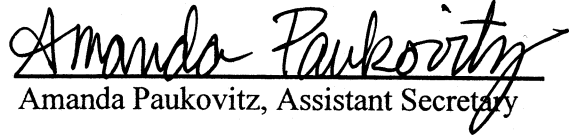
Mr. Cornett explained that they would need to adjourn this meeting because there has not been a date established to recess the meeting to.

Mr. Rector made a motion to adjourn the meeting. Mr. Rector's motion was

seconded by Mr. Taylor. The motion passed 7-0. The Board adjourned at 10:35 PM.



Mr. Gerald Cole, Chairman



Amanda Paukovitz, Assistant Secretary