

Washington County Service Authority Board of Commissioners
April 26, 2010 Regular Meeting Minutes

The regular meeting of the Washington County Service Authority Board of Commissioners was called to order by the Chairman at 7:08 PM.

ROLL CALL

Commissioners Present:

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

Commissioners Absent:

Mr. Sam Blaylock

Staff Present:

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

Consultants Present:

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

Also Present:

Mrs. Dawn Figueiras, General Counsel
WCSA Employees

3. Public Query & Comment

Walter McNew of 27158 Rich Valley Rd

As he spoke with Mr. Cornett a few weeks ago, Mr. McNew wanted to confirm that the [Rich Valley Road/Maiden Creek/Litchfield] Project does indeed have all easements and he wanted to know when the construction will begin.

Mr. Cornett explained that WCSA has secured the final easement needed for the project and he believes Mr. Canody wanted to ask the Board to consider granting permission for WCSA to advertise the project for construction

bids; this should be coming up shortly in the meeting. After the 30 days needed to advertise and another 30-45 days to award the project, Mr. Cornett noted that they should probably see construction underway soon, unless something should come up that is unforeseen.

Mr. McNew asked if October is too soon to look at beginning construction; Mr. Cornett expressed that construction in October should be comfortably obtained. Mr. McNew thanked Mr. Cornett.

George Price of 24113 Rich Valley Rd.

Mr. Price is present tonight, as he promised the Board at the last meeting that he would come back. He wanted to commend the Staff, as they have done a great job to follow up and tie up loose ends, and to express that he and the residents of the project area are very excited about this project. Mr. Price also expressed that his dad will not be happy until water comes out of the tap; he reminded that WCSA is not off the hook yet. However, Mr. Price reiterated that [the residents] are very excited for the project to come through.

Tim Foster from West Hills Tractor of Jonesboro, TN

Mr. Foster is present to address any questions that may arise regarding the backhoe bids to be considered later on the Agenda, and to make the Board aware of an alternate proposal. Mr. Cole thanked Mr. Foster and his associate for making themselves available tonight.

Tonya Phelps of [13728 Heath Brothers Drive, Apt. #12], Glade Spring

Ms. Phelps' mother-in-law [Debbie Blevins] spoke for her, regarding a dispute over the \$250 penalty that was place on Ms. Phelps' account. Ms. Blevins argues that Ms. Phelps' water was not turned off, there was no padlock put on in March and their household did

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not turn the water back on. They do not feel the penalty is fair. She explained that BVU was working in the area, and they are not sure if BVU or someone else turned the water back on; they claim the water was never turned off. Mrs. Blevins feels the \$250 fine is not relevant in this case. If it was padlocked, the situation would be different. However, as the meter is by the road, they feel anyone could have turned the water back on. Ms. Blevins was going to pay Ms. Phelps' late bill, but she will not pay that big of a fine; she would consider and probably pay the bill if the fine is reduced. They feel with no padlock on a meter so close to the highway, the cause is not probable. Mr. Cole asked how the Board should proceed with this situation.

Mr. Cornett explained that he, along with several WCSA Staff members and the Customer Service Manager, have spoke with Ms. Blevins regarding this matter. According to the Board's Rules and Regulations, he expressed that WCSA should invoke the official dispute process. That way, Ms. Blevins and Ms. Phelps' dispute can be formally heard by the Board. He noted that it would be in [Ms. Phelps & Ms. Blevins] best interest to reduce the situation to writing in order to be heard.

Mr. Cole asked if Mr. Cornett can follow up on the situation and get the process underway. Mr. Cornett agreed to contact Ms. Blevins. This will bring about a three step process; he believes Ms. Blevins' can attest that the situation has already been dealt with at the Staff level and with the General Manager (Steps 1 & 2). The final step is to document the dispute, bring it before the Board and to bring it to their attention at the May Hearing. He explained that they could plan on a dispute hearing, hopefully

prior to the May Board Meeting.

Ms. Phelps noted that she would have to wait for another Board meeting and reiterated that she has no water. She and Ms. Blevins referenced another situation, in which her water was cut on in August of 2008, turned off the next day, she had to call to have the water turned back on and there is no record of this happening in her customer history notes. Mr. Cole asked Ms. Phelps to get with Mr. Cornett to work through this process.

Mr. Stout asked if Ms. Phelps has any water at all. Ms. Phelps explained that she has no water and she has a two- year-old that has to go to Ms. Blevins' house. She was waiting for this meeting to hopefully get answers; Ms. Blevins reiterated that the bill is over \$450. Ms. Phelps does not feel she should have to pay for something she did not do. Mr. Cornett expressed that he is not at liberty to go into all the details outside of the dispute process.

Mr. Cole affirmed that he does not want to circumvent the process, but he wondered if there is a way to bring water to Ms. Phelps' home in the meantime. Mrs. Figueiras explained that the dispute process is pretty well set out. She noted the advantage in this is that [Ms. Phelps] has already been through Steps 1 & 2; they could proceed directly to Step 3. The Rules and Regulations, however, do not provide an interim resolution. The only thing Mrs. Figueiras can come up with, as a suggestion, is to pay the complete bill and if there is a resolution, WCSA could refund the amount if the Board rules in favor of Ms. Phelps; Mr. Cornett affirmed that as a possibility. Ms. Blevins expressed that she knew nothing about the \$250 penalty until she saw it on the bulletin board in the lobby. On the invoice, the cut-off date is listed,

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but she feels warning of the penalty needs to be printed on the bills. Mr. Cole explained that the penalty is in place for those who personally take the liberty to turn back on their water.

There was discussion amongst the Board. Ms. Phelps reiterated that she has a two-year-old; she asked to be shown compassion by the Board. Ms. Blevins expressed that they did not know what LNP (lift for non-payment) meant, let alone the \$50 fine to accompany it. Ms. Phelps claimed she has never been late paying a bill and she has never had to have her water cut off.

Mrs. Figueiras affirmed that all information regarding this situation is just not available for Staff tonight. She noted that these types of questions would be addressed at the dispute hearing. Mr. Cole wanted to know how soon a dispute hearing could take place for Ms. Phelps. Mr. Cornett expressed that they could set up the hearing as rapidly as the Board would like; WCSA could probably pull together the appropriate information in about a week. He believes this meeting is planned to recess until May 10; that is the first possible opportunity for the Board to vote upon the matter. He explained that a dispute could be heard at any time, but the hearing committee cannot make a decision; the Board has to do so. Ms. Blevins affirmed she has the statement and would be willing to pay the overdue \$160 [which represents Ms. Phelps bill minus the \$250 penalty]. Mr. Chase reiterated that the Board does not have enough information tonight. Mr. Cole affirmed that this is all WCSA can do until there is a dispute hearing. Mr. Stout asked if Ms. Blevins can pay Ms. Phelps' bill in full with the fine. Ms. Blevins expressed she could maybe do

so later, but she has her own bills to pay. Mr. Stephon asked if Ms. Blevins could pay the bill minus the late fee until the hearing [to get Ms. Phelps' water turned back on temporarily]. The Board agreed that the rules are the rules; she may not. Mr. Cornett noted that he and Jenny Manuel [the Customer Service Manager] have looked at Ms. Phelps' account and they cannot wave the fine.

Ms. Blevins further attested that her son and Ms. Phelps' water has never been turned off due to lack of payment. Mr. Cole affirmed that the Board and Staff will coordinate in the morning to determine a dispute hearing date/time. Ms. Phelps asked if they can pay the bill and if the Board agrees she is at fault, they will then pay the penalty in payments. Mr. Cornett affirmed that the rules are the rules and they cannot proceed in such a way; the dispute process does not allow for penalties to be paid for in time payments.

Mr. Cole explained that he does not know what else to do. He expressed that a dispute hearing allows both sides to be fully heard; they must follow the rules. Ms. Phelps argues that they were not fully told of the dispute process. Mr. Cornett reminded her that she first called him to inquire of tonight's meeting last Thursday. Ms. Phelps contended that the situation and subsequent conversations have left her without water for three weeks, to date.

Mr. Cole reiterated there is nothing more the Board can do tonight until the situation proceeds with a dispute hearing. Mrs. Figueiras asked if the Board has a standing dispute committee. When Mr. Cornett affirmed that there is not a standing dispute committee in place, Mrs. Figueiras encouraged the Chairman to consider appointing two Board

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members for the dispute committee. Mr. Cole asked if there were two volunteers; Mr. Coleman and Mr. Taylor obliged. Mr. Cole confirmed with Mr. Cornett that WCSA will talk with those mentioned above to set up a date/time to expedite the process. Mrs. Figueiras reminded the Board that they need to vote upon the two appointed Board members to the dispute committee. Mr. Chase made the motion to appoint Mr. Coleman and Mr. Taylor to the dispute committee. Mr. Chase's motion was seconded by Mr. Stephon, and was approved by a Board vote of 4-0-2-1 (2: Mr. Coleman and Mr. Taylor abstained). Mr. Cole affirmed to Ms. Phelps and Ms. Blevins that WCSA will work to coordinate their dispute hearing as soon as possible. Ms. Blevins asked if WCSA will contact them. Mr. Cornett explained that they would like to have the dispute hearing prior to the May 10 Recessed Meeting; that is as good of time as ever. He affirmed that a week from today would be the soonest the hearing could take place; Mr. Cornett agreed to call Ms. Phelps and Ms. Blevins tomorrow. When asked, Ms. Blevins provided her full name for the Board: Debbie Blevins.

4. Approval of the Agenda

Mr. Cornett had no recommended revisions to the Agenda.

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

5. Approval of the Consent Agenda

- Minutes for the January 25 Recessed Meeting (Held on March 22, 2010).
- Routine Reports for March 2010.
- Financial Statement for March 2010.
- Check Register and General Manager Financial Report for March 2010.

Mr. Chase made a motion to approve the Consent Agenda with no additions or corrections. Mr. Chase's motion was seconded by Mr. Coleman and was approved by a 6-0-0-1 vote of the Board.

6. Engineer's Report and Update

As Mr. Randall Hancock is regrettably unavailable tonight (he is at his daughter's play), Mr. Bill Aden of Draper Aden Associates (DAA) referenced DAA's Board Book report behind Tab #4 of the Board Books. He also reported on the following projects:

- **Route 58 Water Storage Tank**

Nine contractors ordered bid documents on Contract 1 and three contractors on Contract 2. The Pre-Bid Opening Conference took place last Thursday; Bid Opening is scheduled for May 4.

- **Glove Drive Water Line**

According to the Contractor, a majority of the work is done. They hope to have construction complete by the end of April and a final inspection on May 4.

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

They are waiting for acquisition of the pump station site. Staff has received preliminary plans from DAA; the project is moving along.

- **Exit 14 Interceptor**

They are dealing with the private developer. The development company is giving permission to do the survey for the interceptor. DAA may need to move the line around, as Wal-Mart is not there. They have worked out easement issues.

- **Lowry Hills and Exit 13 Sewer Project, Phases 2 & 3**

The feasibility studies are just about finished up and should have the results to WCSA in the next week

- **Route 58 Corridor Study**

DAA received comments from WCSA Staff on Friday afternoon; will submit

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the study to VDH.

- **Monte Vista Drive**

Have completed the report and have sent it to WCSA; will submit to VDH shortly.

- **Seven Springs Secondary Supply**

Project is moving along well. They may be a week or so behind. [Mr. Hancock] thinks the pumps may be transferred this week or next.

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

- **WCSA Administration Building**

They are completing the final plans and will have them available for the Staff's review. The Committee is hoping to have plans available for the Board to consider approving for advertisement at the May Board Meeting.

- **Interim Drinking Water Plant Improvements (4.6 to 6.6 MGD)**

Mrs. Figueiras has reviewed the contract and has requested some changes. The Contractor is working on making those changes and sending them back to Mrs. Figueiras for her review and approval; the contract will then be sent to RD. They hope to get the project under construction by early May.

- **12 MGD DWP Expansion**

Plans and specifications are due to be submitted to Staff by this Friday. They are hoping to submit the new Raw Water Intake, new Raw Waterline and the final design of the 12 MGD Plant Expansion.

- **Mill Creek Expansion PER**

They had another meeting between Chilhowie, WCSA and The Lane Group; have gone over several items. They have contacted all membrane manufactures and asked them for comments and consideration of expansion criteria. Their next meeting is scheduled at the Mill Creek site.

- **Galvanized Line Replacement**

Study

Galvanized Waterline, Phase 3 funding application has been completed and was submitted to RD since the last meeting.

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

- **Orchard Hill Road Improvements**

Contractor has continued to work on the final remaining stream crossing; to date, it is still not complete. As of Friday, the Contractor was still working on the Pilot hold. They are continuing to work, but the project is not yet complete.

- **Whites Mill Road Improvements**

They have worked with Staff and RD; are working to meet the Letter of Conditions. They are hoping to advertise the project for bid in the near future; Mr. Heath thinks there are later items on the Agenda to address that.

Mr. Chase asked if there has been progress with the Orchard Hill Road Project's final stream crossing. Mr. Heath responded with yes and no. He explained that the Contractor and his crew have been there, making efforts, and bad luck has seemed to follow them. They have had equipment break, have lost many bore heads in the stream, etc. Anything that could go wrong has gone wrong. However, the Contractor continues to work faithfully; he has not thrown up his hands. The Contractor and his crew work and have expressed confidence they can complete the job. Mr. Taylor asked if the final task is doable. Mr. Heath believes so, along with the Contractor and a subcontractor as well. Mr. Taylor reiterated that WCSA is not paying them any more money; Mr. Heath affirmed this as true. Mr. Cornett reiterated that the Contractor was there six months last year and has been there since February of this year.

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He gives them credit for sticking to their commitment; they have not left the job.

7. Water & Wastewater Construction Projects Report and Update

Mr. Canody referenced the Engineering Report behind Tab #3 in the Board Books. He noted the following changes and project updates:

- **Chestnut Mountain Road**

They are still trying to acquire property that would allow them to bid the project. The property is quite a bit of an issue; there is an ongoing dispute over who owns the property that WCSA needs. Elliot, Lawson and Minor are presently doing a title search. WCSA has received a letter from VDH that says [VDH] needs a letter back from [WCSA] by May 10 to know where we are in the project. A couple years ago, VDH committed the money for WCSA to obtain the property and complete the project; Mr. Canody is going to try and buy time. They want to close the loan by June 30 and VDH will not close the loan without a bid advertisement.

- **Rich Valley Road Projects (3)**

Mr. Canody expressed his appreciation for the presence of the residents tonight. They have acquired the last needed property and he wants to seek the Board's permission tonight to advertise the projects for bid. There are a couple small outlying items remaining to be completed, but nothing to interfere with advertising the project.

Mr. Taylor made the motion to advertise the [Rich Valley Road/Maiden Creek/Litchfield] Projects for advertisement. Mr. Taylor's motion was seconded by Mr. Stephon and was approved by a 6-0-0-1 vote of the Board.

Mr. Canody thanked the Board and he wanted to address Mr. McNew's questions [from Public Query &

Comment]. WCSA plans to provide bids at the May Meeting for the Board to consider an award; this will depend on how the Pre-Bid Conference goes, etc. If these bids are not provided at the May 24 meeting, they will bring them before the Board at the June Meeting. They are looking at, best case scenario, 90 days from the advertisement of the project to the beginning of construction; this timeline would allow construction to begin at the end of July/early August.

- **Sutherland**

The U.S. Forest Service was ready to send a check for \$70,000 last week, but the funding came with a contract; they would require WCSA to have improvements in the ground for them by a certain date. The U.S. Forest Service did not understand that WCSA still has to go through the bidding process. The Forest Service has to review the action with its supervisors; they are in favor of providing the \$70,000 for the project.

- **Tumbling Creek**

The project is moving along.

- **Hidden Valley Road**

They are sorting through easements and are identifying the project's service area.

Mr. Canody referred the Board to the list of developer-related projects that are still under construction and investigation. He noted that Engineering did submit funding applications for five projects, as authorized by the Board; the applications did arrive to VDH on time. It took VDH a year to respond to WCSA's applications last year. However, they are hoping for quicker turnaround this year.

Mr. Canody noted that WCSA participated in the [Town of Abingdon's Earth Day "Go Green"] Event this year, headquartered at the Fields Penn House; Karen Barger from Administration and Don Cole from Water Production were

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WCSA's representatives for the event.

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 and Staff accomplishments for the month of March:

Water Production

- Produced over 204 million gallons of drinking water.

Distribution

- Coordinated the outside purchase of more than 20 million gallons of water.
- In total, over 7.2 million gallons per day of drinking water was purchased and distributed to our customers.

Meter Department

- 101 customers were telephoned following unusually high usage.
- 470 customers were notified that their water was to be turned off for nonpayment.
- 147 meters were lifted for nonpayment.

Customer Service

- Over \$21,000 was abated for 113 customer water leaks.
- \$4,900 was written off as bad debt three years old.
- 17 new water taps were made.
- 2 new wastewater taps were made.
- 200 reconnection/transfers of service requests.

Maintenance

- Repaired 31 leaks and 6 major breaks.
- Constructed 13 water taps & 2 wastewater taps.
- Responded to 39 after hours maintenance call-outs.

Wastewater

- Treated over 10 million gallons of wastewater in the last month.

Accounting

- Through the Debt Setoff Collection, 21 claims were filed and matched for little more than \$9,300; they have collected little more than \$3,000 so far.

- Total Submissions: \$94,124.28.
- Continues to coordinate with Legal Counsel to collect all past due accounts totaling over \$500.

Administrative Items

- Mr. Cornett would like to welcome another staff member: Chris Howington of Abingdon has accepted an offer to become our Crew Member in the Maintenance Department, replacing a former employee who retired. Chris comes to us with 18 years experience in the plumbing industry.
- 2009 performance evaluations, along with any appropriate compensation adjustments, were completed in March 2010. 2009, which featured WCSA's 3rd Annual Performance Evaluations, proved to be the best evaluation (based on overall average score) in three years since we began the program in 2007.
- WCSA and EL&M began work on improving and expanding WCSA's applications for service. They are trying to get WCSA's applications sorted out.
- Kim Roberts & [Mr. Cornett] participated in a lengthy interview with the Bristol Herald Courier, which resulted in a really nice article about WCSA in yesterday's paper. Mr. Cornett referenced a copy of the article located at the Board's Stations.
- Mr. Cornett met with Jimmy Norman of SERCAP (Southeast Rural Community Assistance Project) who is interested in providing some grant funding for the Western Washington County Wastewater Collection and Treatment Study. Mr. Norman is very excited about the project, would like to participate on the front end and wants to include WCSA. Mr. Cornett does not know details, but believes the situation sounds good so far.

9. Consideration of Revised Engineering Contract for the Whites Mill Road Water Systems Improvement Project and

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Authorization to Advertise the Project for Bid

Mr. Canody handed out a received letter of response for the Whites Mill Road Project's Engineering Agreement. Before starting to review this, he wanted to make sure WCSA had the approval of the funding agency, who also reviews the contract. The contract has been seen as appropriate by RD, WCSA and the funding agency. Adams-Heath Engineering has adequately answered all of WCSA's questions, but one. The only question remaining is in regards to insurance amounts. Mr. Canody referenced the contract, which is located in the Board's Board Books. Mr. Canody affirmed that WCSA Staff hopes that the Board will approve this contract. He explained that they are waiting on insurance rates from our insurance agent; they have to list the engineers as approved contractors. He reiterated that the Staff recommends the Board authorizes the General Manager [Robbie Cornett] to sign this contract. Mr. Taylor referred to Question 10 of Adams-Heath Engineering's letter. He asked for further explanation of the referenced geotech review or design. Mr. Canody explained that the initial geotechnical investigation has been done. Mr. Heath affirmed that the referenced amount is for the geotech borings that have already been completed.

There was discussion amongst Mr. Heath, Mr. Canody and the Board. Mr. Taylor affirmed that his question was answered. Mr. Chase made the motion to approve the Revised Engineering Contract. Mr. Chase's motion was seconded by Mr. Taylor and was approved by a Board vote of 6-0-0-1 [Mr. Cole erroneously read Mr. Chase's motion as approval to advertise the project for bid with Mr. Cornett's authorization].

Subject to WCSA's meeting with RD regarding the Letter of Conditions and due to the current good bidding climate, Mr. Cornett encouraged the Board to authorize the project's advertisement for bid. Mr. Chase revised his motion; he moved that the Board approve the revised engineering contract and advertise the project for bid. Mr. Chase's motion was seconded by Mr. Taylor, and was approved by a Board vote of 6-0-0-1.

10. Consideration of the USDA Rural Development Resolution of Governing Body and Loan Resolution for the Route 58 Water Storage Tank Project

Mr. Cornett briefly reviewed the resolutions prepared by RD. He explained that both resolutions are in regards to the Route 58 Water Storage Tank. Mr. Cornett encouraged the Board to approve both resolutions; he noted that the motion would need to include two officers of the Board identified as signatories for those resolutions. Mr. Cole asked, assuming the motion passed, who the Board would want the signatories need to be. Mr. Chase recommended that the signatories be Mr. Cornett and Ms. Roberts, as the General Manager and Treasurer, respectively; the Board agreed upon this recommendation. Mr. Chase made the motion to approve both resolutions as presented with Ms. Roberts and Mr. Cornett as the signatories. Mr. Chase's motion was seconded by Mr. Stout, and was approved by a 6-0-0-1 vote of the Board.

11. Consideration of Authorizing and Approving the Issuance Award and Sale of not to Exceed \$5,360,000 Water System Revenue Bonds for the Route 58 Water Storage Tank Project

Ms. Roberts referenced the Certificate of Secretary at the Board's Stations, in

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concordance with a loan approval. As discussed with prior bonds and as they will discuss with another bond later in the meeting, she explained that Bond Counsel has recommended the Board to issue this bond as a Build America Bond. Since this is known in advance, Bond Counsel went ahead and included the resolution in the bond document so this did not have to be brought to the Board at the next meeting. Approving this bond issuance would also approve a Build America Bond; this would involve a 35% subsidy on the interest, which would net WCSA ≈\$500,000 in savings. Mr. Chase made the motion to accept the issuance and bond recommendations as presented. Mr. Chase's motion was seconded by Mr. Taylor, and was approved by a 6-0-0-1 vote of the Board. Mr. Cole thanked Ms. Roberts for her diligence and hard work.

12. Consideration of Backhoe Bids

Ms. Roberts referenced the backhoe bid tabulation handout at the Board's stations. She explained that WCSA participated in a backhoe bid [opening] on March 17. She noted that West Hills Tractor had the lowest bid; WCSA was in need of two backhoes and has budgeted \$56,000 per backhoe. West Hills Tractor's bids came in right under WCSA's budget. Therefore, Ms. Roberts recommends the Board approve the purchase of two backhoes from West Hills Tractor [of Jonesboro, TN].

Tim Foster from West Hills Tractor and Dustin Levins with [the District Sales Manager of] New Holland Construction made themselves available to answer the Board's questions tonight. They also referenced that they made a proposal to Karen Lester [WCSA Staff Accountant] if the delivery time frame is a concern.

Their alternate bid was made on March 17 (when they first submitted their low bid). Their alternative bid features a larger machine with the extendable dipperstick and pilot controls for the same price as the low bid; this equipment would arrive within 30 days. Mr. Foster explained that WCSA would be receiving a 97 horsepower machine for the price of a 95 horsepower machine. He noted that the extendable dipperstick allows for ≈ 3½ feet more digging depth and pilot controls (or joystick controls) opposed to mechanical controls at the operator seat; most new construction machinery is going to pilot controls. He explained that those features are in addition to a shorter delivery time; this represents \$12,000 in additional equipment. However, Mr. Foster affirmed that the original bid would be honored if WCSA so chooses. Ms. Figueiras asked what the listed delivery time frame was in the invitation to bid. Ms. Roberts, Mr. Cornett and Mr. Taylor affirmed that the delivery time frame was not specified in the invitation. Mr. Taylor wondered if equipment wise, if the alternative was "apples to apples". Ms. Roberts affirmed that the bid that WCSA recommended has the specifications of what was advertised. She noted that the alternate bid represents better equipment for the same price; the bid included the specifications of what they had advertised. Mr. Foster had called back after the bids were opened and offered the better machinery at the same price. Ms. Roberts is not sure with Legal Counsel if they can [honor the alternate bid] once they have received the low bids. However, she explained that West Hills Tractor made an even better offer. Mr. Foster affirmed that they can still meet their specified

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delivery they offered in the low bid. He affirmed that the invitation to bid asked for an estimated delivery date/time, but did not provide delivery requirements. Mr. Cornett explained that from his understanding, Mr. Foster is offering better equipment which will arrive faster. Mrs. Figueiras cannot think of any legal reasons [as to why WCSA could not accept West Hill Tractor's alternate bid]. Mr. Stout asked if WCSA operators can utilize this equipment. The matter was discussed by the Board and Staff; it was affirmed that WCSA operators can use these new backhoes.

Mr. Taylor wondered if there is any New Holland equipment within the WCSA's system now; Ms. Roberts does not believe so. Mr. Taylor asked what WCSA has now; Ms. Roberts noted that WCSA currently has Case and John Deere. Mr. Foster clarified that WCSA currently has two New Holland machines that are about 7-8 years old. Mr. Cole wanted to clarify that Mr. Foster is providing a B95B [backhoe] for the same price as a B90B; Mr. Foster affirmed this. He explained that the reason for this [alternate bid] is that the B95B is a very popular machine. New Holland has better inventory of the B95B and, as expressed by Mr. Levins, the B95B has very possibly a better resale value [than the B90B] in the end. Mr. Taylor wanted to know where [West Hills Tractor] is located and if new parts could be sent overnight. Mr. Foster affirmed that they are located in Jonesboro, TN and they could send most parts through next day delivery with an extra freight charge. However, two-day delivery does not require an extra charge. Mr. Taylor made the motion to accept the alternate low bid [from West Hills Tractor] at the same price for the

upgraded [backhoe]. Mr. Taylor's motion was seconded by Mr. Coleman, and was approved by a 6-0-0-1 vote of the Board. Mr. Cole congratulated Mr. Foster and Mr. Levins, and thanked them again for being available tonight to answer the Board's questions.

13. Consideration of Chemical Bids

Ms. Roberts referred the Board to the bid tabulation sheet for the current year at their stations. She noted there were seven chemical bidders, but only one company that bid on all or almost all chemicals. There were some nuances to this year's bid. After the bids were opened and a few weeks later, Brenntag had bid substantially low on Liquid Chlorine; they had to withdraw their bid. She consulted with Legal Counsel and found that they could withdraw up until the time of award. In response, Brenntag elected to withdraw their bid on that chemical. Ms. Roberts then referred the Board to the column labeled Sulfur Dioxide. She noted that there is a tie bid with Brenntag and JCI Jones Chemicals, both at the same exact price. In reviewing the procurement act for tie bids, there are several ways to decide this; all ways have been exhausted. She first checked to see which company was domiciled in Virginia; neither are such. The next way to see if any of their states had preference in Virginia; none of their states did. The third way was to see which company's chemical contained the most recycled content; Sulfur Dioxide is 99.95% pure, so it contains no recycled content. The last and final way is to decide the sale by lot. In response, Ms. Roberts asked the Board to flip a coin to decide on which company to receive the awarded bid for Sulfur Dioxide. Mr. Taylor suggested that they write the

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company names on paper and draw the winner out of a hat. Mr. Cornett wrote the names on pieces of paper, while Ms. Roberts witnessed. Mr. Stout drew a name out of the hat; the winner of the Sulfur Dioxide bid award was Brenntag. Ms. Roberts would like the Board to consider and accept the staff's highlighted chemical recommendations [on the chemical bid tabulation], in addition to Brenntag receiving the award of Sulfur Dioxide.

Mr. Stout made the motion to accept the low bids. Mr. Stout's motion was seconded by Mr. Taylor and was approved by a Board vote of 6-0-0-1.

14. Consideration of Lawn Services Bids

Ms. Roberts reviewed the mowing and trimming services bid tabulation at the Board's stations; bids were opened on April 16. She explained that the top listed company, [Jean] Mulumba, was the apparent low bidder. However, they have been declared non-responsive for not providing workman's compensation insurance, as specified in the bid requirements. Ms. Roberts expressed that the second lowest bidder, J & B Lawn Care, is the lawn service provider recommended by Staff. J & B Lawn Care does meet all of the specifications, as listed in the bid specifications. Mrs. Figueiras emphasized that Elliott, Lawson & Minor did not consult in the bid process as EL&M's bookkeeper is engaged to marry Randy of Randy's Lawn Service, who has had the contract for several years. Mr. Cornett affirmed this and noted that WCSA consulted County Attorney Lucy Phillips instead, who is in concurrence with WCSA Staff. Mr. Chase made the motion to accept the low bid of J & B Lawn Care. Mr.

Chase's motion was seconded by Mr. Taylor, and was approved by a Board vote of 5-0-1-1 (1: Mr. Stephon abstained).

15. Consideration of Sludge Removal Bids

Ms. Roberts referenced the sludge removal bid tabulation. The only bidder, Robert Montgomery, provided a lower Removal Price per ton than last year's bid and a Transfer Price slightly higher than last year's bid. As the only bidder, WCSA recommends the sludge removal bid be awarded to Robert Montgomery. Mr. Stout made the motion to accept the low bid [for sludge removal]. Mr. Stout's motion was seconded by Mr. Coleman, and was approved by a Board vote of 6-0-0-1.

16. Consideration of the Buy American Bond Reimbursement of Interest Resolution for the Whites Mill Road Project

Ms. Roberts referred the Board to another Certificate of Secretary, which is three pages long. Item #2 on page 1 of the Resolution authorizes the issuance of Water System Revenue Bonds as a Build America Bond. On page 2, Item B indicates that it is the Whites Mill Road Bond with a calculated savings of about \$252,000 with at least a 35% subsidy. Mr. Taylor made the motion to accept the Resolution. Mr. Taylor's motion was seconded by Mr. Stout and was approved by a Board vote of 6-0-0-1.

17. Consideration of the Western Washington County Wastewater Collection and Treatment Study Committee Recommendation of Consulting Engineer

Mr. Canody referenced the March 22 Board Meeting Minutes. He reviewed

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what has been done by the [Washington County Wastewater Collection and Treatment] Committee thus far. The Committee has worked diligently to remain in compliance with the Virginia Procurement Act. They took the first step and advised the Board of a shortlist of firms to be interviewed from five. At the February 16 Special Called Joint Board Meeting, a shortlist of three firms was named by the Board. The firms, in no particular order, included: 1) Draper Aden Associates in conjunction with Randall & Associates and Mattern & Craig & Associates, 2) Anderson & Associates partnered with Wiley & Wilson and 3) The Lane Group in association with Olver, Inc. Two members of the Board of Supervisors, two representatives from the Industrial Development Authority (IDA), two members of the Board of Commissioners and several WCSA Staff members reviewed the Statement of Qualifications. On April 7, the Committee held the interviews for these three shortlisted firms. The results were then ranked. Mr. Canody explained that in the procurement of professional services, firms are ranked 1 thru 3 and then competitive negotiations begin with the first ranked firm. That way, if negotiations fail, they would move to the second ranked firm, and so on. Subsequent to the interviews, which included one member of each of the four mentioned bodies, specifically Joe Chase of the [Board of Commissioners], Russell Owens of the IDA, Joe Straten of the Board of Supervisors, along with Mark Osborne, April Helbert, Robbie Cornett and [Doug Canody], the ranking was completed as follows:

- 3rd- Draper Aden Associates with Randall & Associates and Mattern &

Craig.

- 2nd- Anderson & Associates in partnership with Wiley & Wilson.
 - 1st- The Lane Group with Olver, Inc.
- On behalf of WCSA Staff, Mr. Canody asked that the Board endorse this ranking, such that negotiations with the top-ranked firm can begin. Mr. Canody then opened the floor for Mr. Chase, as a member of the Committee, to add further comments to Mr. Canody's comments. Mr. Chase added that they had really good engineering firms to choose from, they all did an excellent job and it was a tough decision. The Committee had many discussions, as they felt all three firms would have done a great job. However, The Lane Group [with Olver, Inc.] was selected as the #1 firm. Mr. Chase made the motion to proceed in negotiations with The Lane Group [with Olver, Inc.]. Mr. Chase's motion was seconded by Mr. Stout, and was approved by a Board vote of 6-0-0-1.

18. Closed Meeting: Acquisition and Disposition of Property, 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 § 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 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

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Manager, are requested.

Mr. Stephon's motion was seconded by Mr. Chase and was approved by a 6-0-0-1 vote of the Board. The Board adjourned to Closed meeting at 8:29 PM.

Return to Public Session

Upon a motion by Mr. Stephon, a second by Mr. Chase, and a 6-0-0-1 vote by the Commissioners, the Board returned to Public Session at 9:34 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, § 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. Chase, Mr. Stephon, Mr. Coleman, Mr. Taylor, Mr. Stout and Mr. Cole.

19. Late Items

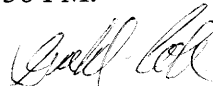
Mr. Chase commended Mrs. Paukovitz on the Building Permits Report; he felt it was very informative.

Mr. Cole commended Mr. Cornett and

Ms. Roberts on the article in yesterday's paper; he felt it was a good article.

20. Adjourn or Recess

Mr. Cornett asked the Board to consider recessing tonight's meeting until Monday, May 10, 2010 at 6 PM [in the Board Room] for the Consideration of Construction Bids for the Route 58 Water Storage Tank Replacement Project, a Closed Meeting to consider the Acquisition of Real Property and [to discuss] any Late Items that may arise. Mr. Stout made the motion to recess the meeting to May 10 at 6:00 PM for the abovementioned reasons. 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 recessed at 9:36 PM.



Mr. Gerald Cole, Chairman



Amanda Paukovitz, Assistant Secretary