




Washington County Service Authority Board of Commissioners
October 28, 2019 Regular Board Meeting Minutes

Agenda Item: 1  COMMUNICATION	Call the Meeting to Order
Presenter(s):	Chairman
Beginning Time:	5:59 pm
Present:	
Absent:	None
End Time:	6:00 pm


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Agenda Item: 2  COMMUNICATION	Roll Call
Presenter(s):	Chairman
Beginning Time:	6:00 pm
Present:	Thayer, Taylor, Campbell, Miller, McCall, Orfield and Smith
Absent:	None
End Time:	6:00 pm


**Washington County Service Authority Board of Commissioners
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Agenda Item: 3  COMMUNICATION	Prayer and Pledge of Allegiance
Presenter(s):	Taylor opened in prayer and led the Pledge of Allegiance
Beginning Time:	6:01 pm
End Time:	6:02 pm


**Washington County Service Authority Board of Commissioners
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Agenda Item: 4  COMMUNICATION	Approval of the Amended Agenda
Presenter(s):	Chairman
Beginning Time:	6:02
Potential Conflict(s) of Interest and Abstention(s):	
Discussion:	
On the Record:	
Actual Motion:	Approve the Amended Agenda
Motion By:	Campbell
Second By:	Thayer
Voting: Ayes:	7
Nays:	0
Abstain:	0
End Time:	6:03


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Agenda Item: 5  COMMUNICATION	Public Query and Comment
Presenter(s):	Chairman
Beginning Time:	6:03
Potential Conflict(s) of Interest and Abstention(s):	
Speakers:	None
Discussion:	
On the Record:	
Actual Motion:	
Motion By:	
Second By:	
Voting: Ayes:	
Nays:	
Abstain:	
End Time:	6:03

**Washington County Service Authority Board of Commissioners
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Agenda Item: 6  COMMUNICATION	Consent Agenda
Presenter(s):	Chairman
Beginning Time:	6:03
Potential Conflict(s) of Interest and Abstention(s):	
Discussion:	Kiser provided more details on Agenda Item 6E per Taylor's request.
On the Record:	
Actual Motion:	Approve the Consent Agenda
Motion By:	Taylor
Second By:	McCall
Voting: Ayes:	6
Nays:	0
Abstain:	Smith
End Time:	6:06


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Agenda Item: 6D  INFRASTRUCTURE	Consideration of Task Order No. 1 to the Engineer Professional Services Agreement with CHA for Industrial Pretreatment Program Support Services
Presenter(s):	Ryan Kiser
Beginning Time:	
Potential Conflict(s) of Interest and Abstention(s):	
Background:	<p>In November 2018, the Board authorized the approval of the Engineer Professional Services Agreement between CHA and the WCSA. An industrial pretreatment program has been established by WCSA to regulate and control discharges from significant industrial users (SIUs) to safeguard the WCSA sewer infrastructure. Each SIU is issued a discharge permit and the periodic discharges are to be monitored on a periodic basis with an annual inspection.</p> <p>The WCSA Hall Creek Wastewater Treatment Plant must comply with an issued VPDES permit issued by Department of Environmental Quality and also the WCSA pretreatment program. This discharge permit mandates conditions and requirements for the discharge of pretreated industrial wastewater to be treated at the Hall Creek WWTP. This includes periodic monitoring and reporting to demonstrate compliance with pollutant limits and also any corrective action in the event permits limits are violated. The VPDES permit requires WCSA to prepare and submit a report to DEQ on an annual basis.</p> <p><u>Tasks to be Completed by CHA:</u></p> <ul style="list-style-type: none"> • Industrial discharger compliance monitoring coordination support, discharge evaluation and compliance determination • Preparation of Warning Letters, Notices of Violation and other enforcement actions as needed. • Performance of the 2019 annual Hapco SIU inspection and preparation of the associated inspection report. • Preparation of the 2019 annual pretreatment program compliance report to DEQ by January 31, 2020 • Updating the WCSA Seer Use Regulations and the Washington County Sewer Use Ordinance in include Virginia Pretreatment Regulations citations as direct by DEQ. • Application and review and reissuance of the Industrial Discharger Permit for Hapco. • Issuance of the MXI discharge permit that is in process. • Performance of the 2020 annual Hapco and MXI SIU inspections and preparation of the associated inspection reports. • Preparation of the 2020 annual pretreatment program compliance report for submittal to DEQ by January 31, 2021. • Participation in conference calls and one pretreatment meeting in Abingdon with representatives of WCSA, DEQ, SIU on as needed basis. <p>Project will be billed on a not-to-exceed budget of \$23,700 (billed on time basis as set forth in Agreement).</p>

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Discussion:	
On the Record:	
Enclosures:	Task Order 3
Recommendation:	Subject to answering any questions the Board may have, Staff kindly recommends the Board favorably consider approving Task Order 3 for continued industrial pretreatment services support.
Proposed Motion:	Move to approve of Task Order 3 for the industrial pretreatment support services.
Actual Motion:	*Approved in Consent Agenda
Motion By:	
Second By:	
Voting: Ayes:	
 Nays:	
 Abstain:	
End Time:	


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Agenda Item: 6E  INFRASTRUCTURE	Consideration of Change Order 4 for Contract 2 - Rich Valley Road Waterline Extension Project
Presenter(s):	Ryan Kiser
Beginning Time:	
Potential Conflict(s) of Interest and Abstention(s):	
Background:	<p>Construction began in March for Contract 2. The purpose and goal for this project is to provide water service to 45 residents along Rich Valley Road (RVR) west of Route 19. As part of Contract 2 of this project, approximately 7,700 linear feet of existing 4-inch cast iron line along Route 19 will be replaced. Many portions of this old line are positioned in areas that are extremely difficult to perform maintenance on, many areas of line are exposed and the small line reduces capacities. Replacement of this line provides updated water service to nearly 70 existing customers along Route 19.</p> <p>The Notice to Proceed for Contract 2 McFall Excavating was issued on March 18, 2019.</p> <p>Substantial Completion was issued on October 4, 2019 and final cleanup was achieved on October 11, 2019.</p> <p>This proposed change order serves as a cleanup change order to reflect actual contract time and contract price. A compliment to the contractor for reaching final completion rapidly after substantial completion was due to their continuous cleanup efforts as the project progressed and expeditious response to punch list items.</p> <p>This proposed change order No. 4 provides for a \$19,075.52 <u>increase</u> in contract price for a total contract price of \$1,377,732.52. This increase will be covered by contract contingency funds. Contract time is requested to be increased by 18 days. Below is a summary of the contractors request letter for addition of contract time.</p> <ul style="list-style-type: none"> • <u>1 day</u> added to contract time due to Labor Holiday work restriction for September 2nd. • <u>5 days</u> of contract time for delay in bacteriological results and time elapsed to receive permission from VDH to place lines in service • <u>2 days</u> for work in conjunction with a creek crossing for service line serving the Greendale Baptist Church, riprap present on the creek bank was determined to be grouted in so that required a bore under the stream. Encountering rock in this area required crews to opencut one lane of the roadway, due to bore head be lodged. Paving was required due to this activity as well. • <u>8 days</u> of contract time due to conditions encountered with the two road bores on Route 19. Previous time was added for this work, but several


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	<p>factors contributed to this work being delayed. This work was required to be bored, since work was being performed on Route 19. Several attempts to bore and two bore heads were lost as a result of working to get a service line underneath the roadway. Learned that WCSA was working with a contractor that was mobilized in the area. This same contractor was completing two bores for WCSA. McFall decided to utilize this contractor to accomplish the work so there was delay waiting on this contractor. Work was completed.</p> <ul style="list-style-type: none"> • <u>2 days</u> for additional paving work WCSA requested. Had to keep crews on site, while could have been completing service line tie overs. <p>Staff has reviewed the contractor's request and found these requests to be reasonable. WCSA was able to accomplish additional work with the contractor's cooperation.</p>
Discussion:	
On the Record:	
Enclosures:	<p>Change Order 4 Quantity Spreadsheet Letter of Request for Contract Time</p>
Recommendation:	<p>Subject to answering any questions the Board may have, Staff kindly recommends the Board favorably consider approving Change Order 4 for Contract 2 of the Rich Valley Road Water Line Extension Project.</p>
Proposed Motion:	<p>Move for the approval of Change Order 4 for Contract 2 of the Rich Valley Road Waterline Extension Project</p>
Actual Motion:	<p>*Approved in the Consent Agenda</p>
Motion By:	
Second By:	
Voting: Ayes:	
 Nays:	
 Abstain:	
End Time:	


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Agenda Item: 7  COMMUNICATION	Consideration of Check Number 043797 Food City for \$137.81
Presenter(s):	Chairman
Beginning Time:	
Potential Conflict(s) of Interest and Abstention(s):	Tim Orfield
Background:	Orfield is an employee of Mid-Mountain Foods.
Discussion:	
On the Record:	
Actual Motion:	Motion to approve Check Number 043797 Food City for \$137.81
Motion By:	Campbell
Second By:	Thayer
Voting: Ayes:	6
Nays:	0
Abstain:	Orfield
End Time:	6:07


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Agenda Item: 8  COMMUNICATION	Legal Counsel Report and Update
Presenter(s):	Thomas Dene
Beginning Time:	6:07
Potential Conflict(s) of Interest and Abstention(s):	
Discussion:	Dene discussed recent changes made to the Motion of Closed Meeting form.
On the Record:	
Actual Motion:	
Motion By:	
Second By:	
Voting: Ayes:	
Nays:	
Abstain:	
End Time:	6:09


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Agenda Item: 9  COMMUNICATION	General Manager Report and Update
Presenter(s):	Robbie Cornett
Beginning Time:	6:09
Potential Conflict(s) of Interest and Abstention(s):	
Discussion:	Miller was contacted by a contractor of Home Serve saying he was not getting paid promptly for his work.
On the Record:	
Actual Motion:	
Motion By:	
Second By:	
Voting: Ayes:	
Nays:	
Abstain:	
End Time:	6:10


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Agenda Item: 10  COMMUNICATION	Operations Manager Report and Update
Presenter(s):	Dave Cheek
Beginning Time:	6:10
Potential Conflict(s) of Interest and Abstention(s):	
Discussion:	None
On the Record:	
Actual Motion:	
Motion By:	
Second By:	
Voting: Ayes:	
Nays:	
Abstain:	
End Time:	6:10


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Agenda Item: 11  INFRASTRUCTURE	Engineering Report / Construction Projects Update
Presenter(s):	Ryan Kiser
Beginning Time:	6:10
Potential Conflict(s) of Interest and Abstention(s):	
Discussion:	Taylor asked for an update on Hidden Valley.
On the Record:	
Actual Motion:	
Motion By:	
Second By:	
Voting: Ayes:	
Nays:	
Abstain:	
End Time:	6:12

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Agenda Item: 12  EMPLOYER OF CHOICE	Years of Service Awards
Presenter(s):	Robbie Cornett
Beginning Time:	6:13
Potential Conflict(s) of Interest and Abstention(s):	None.
Background:	<p>Annually at the October Regular Board of Commissioners Meeting, we recognize employees of WCSA who have reach a five (5) year "increment" milestone based on a hire date of September 30th or earlier. Below for your advanced consideration is a list of employees that we would propose you recognize at the October 28th Meeting. These employees have been invited to attend the meeting to receive a certificate signed by the Chairman.</p> <p><u>5 Year Employees</u> Dave Cheek Kayla Huff</p> <p><u>10 Year Employees</u> Rosa Montgomery Sheila Poston</p> <p><u>15 Year Employees</u> Danny Nunley</p> <p><u>25 Year Employees</u> Alan Dillon Melissa Elswick Richard Malcolm Joe Malone Larry Thomas</p>
Discussion:	
On the Record:	
Enclosures:	None
Recommendation:	Approve the years of service awards.
Proposed Motion:	
Actual Motion:	Move to approve the years of service awards as presented.
Motion By:	Campbell
Second By:	Orfield
Voting:	Ayes: 7
	Nays: 0
	Abstain: 0
End Time:	6:19


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Agenda Item: 13  INFRASTRUCTURE	Consideration of Approving Funding Offer from VRA for the Advanced Metering Infrastructure Equipment, Meters and Software Project
Presenter(s):	Melinda Jett, Dave Cheek
Beginning Time:	6:20
Potential Conflict(s) of Interest and Abstention(s):	
Background:	<p>WCSA's current billing metering system is at or past it's end of life which has been well documented. This will be WCSA's 2nd -full meter replacement project.</p> <p>WCSA investigated technologies, scope and estimated costs with many vendors and hired UMS as a consultant to assist with this analysis. Initial vendor estimates were around \$7,500,00 but upon investigation did not include sufficient system coverage nor installation costs.</p> <p>Applying lessons learned, WCSA then combined and filtered the information to produce a financial model that aligned with other utilities' experiences. These results, while very conservative, still produce a project with positive cash flow.</p> <p>To fund this project, WCSA applied to Virginia Resources Authority (VRA) – 2019 Fall Pool. WCSA provided VRA with UMS' <u>WCSA Advanced Metering Planning Document</u> to serve as the project cost basis, \$9,200,000.</p> <p>WCSA Board of Commissioners Adopted the Resolution authorizing and approving the issuance, award and sale of water revenue bond on September 23, 2019.</p> <p>VRA reviewed and offered WCSA two loan options, 10 year or 15 year terms. WCSA generated estimated project cost and cash flow models based on the terms of this offer. WCSA is requesting Approval to accept either the 10 year or 15 year offer from VRA for the Advanced Metering Infrastructure Equipment, Meters and Software Project.</p>
Discussion:	
On the Record:	
Enclosures:	<p>VRA Virginia Pooled Financing Program (Fall VPFP) Schedule</p> <p>VRA 10 Year Amortization Offer</p> <p>VRA 15 Year Amortization Offer</p> <p>Advanced Metering Infrastructure Equipment, Meters and Software Project Financial Analysis which includes <u>WCSA Advanced Metering Planning Document</u> authored by UMS</p>
Recommendation:	Subject to answering any questions that you may have, the Staff recommends accepting VRA's 15 year loan term for the Advanced Metering Infrastructure Equipment, Meters and Software Project
Proposed Motion:	Authorize WCSA to accept the Virginia Resources Authority (VRA) 15 year loan offer in the amount of \$9,200,000 at an estimated interest rate of 2.17% for the Advanced Metering Infrastructure Equipment, Meters and Software Project
Actual Motion:	As proposed.
Motion By:	Taylor
Second By:	Campbell
Voting: Ayes:	7
Nays:	0

<p>Washington County Service Authority Board of Commissioners October 28, 2019 Regular Board Meeting Minutes</p>
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Abstain:	0
End Time:	6:36

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Agenda Item: 14  COMMUNICATION	Closed Meeting
Presenter(s):	Commissioner
Beginning Time:	6:36
Potential Conflict(s) of Interest and Abstention(s):	
Background:	
Discussion:	
On the Record:	
Enclosures:	
Recommendation:	
Proposed Motion:	
Actual Motion:	Motion for Closed Meeting
Motion By:	Campbell
Second By:	Taylor
Voting: Ayes:	7
Nays:	0
Abstain:	0
End Time:	6:39

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WASHINGTON COUNTY SERVICE AUTHORITY
BOARD OF COMMISSIONERS
Closed Meeting October 28, 2019

I (Campbell) move that the Board of Commissioners of the Washington County Service Authority adjourn to Closed Meeting in accordance with the Virginia Freedom of Information Act for,

1. Code of Virginia Section 2.2-3711 Paragraph (A) (7): Probable Litigation

Consultation with legal counsel pertaining to probable litigation that has been specifically threatened or on which the Board or its legal counsel has a reasonable basis to believe will be commenced by or against a known party, where such consultation in open meeting would adversely affect the negotiating or litigating posture of the Board.

2. Code of Virginia Section 2.2-3711 Paragraph (A) (29): Public Contracts

Discussion of the award of public contracts involving the expenditure of public funds and discussion of the terms or scope of such contract, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the public body.

3. Code of Virginia Section 2.2-3711 Paragraph (A) (7): Actual Litigation

Consultation with legal counsel and briefings by staff members pertaining to actual litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the Board, specifically involving the case of Washington County Service Authority v. Bundy, currently pending in the Circuit Court of Washington County, Virginia.

4. Code of Virginia Section 2.2-3711 Paragraph (A) (19): Facilities Security

Discussion of information subject to the exclusion in subdivision 14 of Section 2.2-3705.2 of said Code, where discussion in an open meeting would jeopardize the safety of any person or the security of any facility, building, or structure, specifically involving the security plans and measures of the Washington County Service Authority regarding its facilities and buildings.


5. Code of Virginia Section 2.2-3711 Paragraph (A) (8): Consultation with Counsel

Consultation with legal counsel employed or retained by the Authority regarding the Authority's prospective rights and obligations relating to the completion of the Galvanized Line, Phase 3 and Abingdon Water Storage Tank projects.

In addition to the Board of Commissioners the presence of Thomas Dene, WCSA General Counsel, and Robbie Cornett, WCSA General Manager, is requested.

Second: Taylor,
Board Vote: 7-0-0-0
Time: 6:39 pm.

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Agenda Item: 15  COMMUNICATION	Return to Open Meeting
Presenter(s):	Commissioner
Beginning Time:	
Potential Conflict(s) of Interest and Abstention(s):	
Background:	
Discussion:	
On the Record:	
Enclosures:	
Recommendation:	
Proposed Motion:	
Actual Motion:	Return to Public Meeting
Motion By:	Thayer
Second By:	McCall
Voting: Ayes:	Thayer, Taylor, Campbell, Miller, McCall, Orfield and Smith
Nays:	0
Abstain:	0
End Time:	8:39 pm

**Washington County Service Authority Board of Commissioners
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Return to Public Meeting

I (Thayer) move that the Board return to Open Session.

Second: McCall

Board Vote: 7-0-0-0

Time: 8:37 pm.

Certification of Closed Meeting

I (Campbell) move that the Board adopt the following resolution:

Whereas, the Board of Commissioners of 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;

And

Now, therefore, be it resolved that the Board of Commissioners of the Washington County Service 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 Board.

Second: Taylor

AYE: Thayer, Taylor, Campbell, Miller, McCall, Orfield and Smith confirming no outside discussion other than Closed Meeting Topics took place.

Time: 8:39 pm.

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Agenda Item: 16 ... COMMUNICATION	Late Items
Presenter(s):	Commissioner / General Manager
Beginning Time:	8:39
Potential Conflict(s) of Interest and Abstention(s):	
Background:	
Discussion:	Jett presented and reviewed a handout showing a graph detailing timeline milestones regarding the audit and fiscal year end financials. Attached
On the Record:	
Enclosures:	
Recommendation:	
Proposed Motion:	
Actual Motion:	
Motion By:	
Second By:	
Voting: Ayes:	
Nays:	
Abstain:	
End Time:	8:44

Timeline Milestones regarding Audit and Fiscal Year End Financials

Final Adjusting Entries w/OPEB and Audited Financial Stmts,

Audit Follow Up (RFC)/OPEB Analysis - VRS

Audit Field Work (RFC)

Inventory (WCSA & RFC)

Pre-Audit - Robinson Farmer Cox

Presentation to the Board

May June July Aug Sept Oct Nov Dec Jan

Audit Committee - RFC & WCSA

OPEB Analysis - WCSA, Actuary

Pre-Audit Review - Hickok Brown

Some Explanation:

OPEB = Other Post Employment Benefits (Pension is related to VRS and Insurance is related to WCSA)


* In 2015, the Governmental Accounting Standards Board (GASB) released new accounting standards for public sector postretirement benefit programs and the employers that sponsor them. GASB 75 reflects an overhaul in the standards for accounting and financial reporting for postemployment benefits and other than pensions (OPEB).

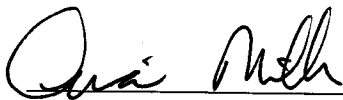
* GASB 75 is designed to standardize the way OPEB expense is calculated and displayed in order to have consistency and comparability between reporting entities.

* The most significant impact of GASB 75 is the change from reporting the unfunded actuarial accrued liability for the plan in the notes of the financial statements to recognizing the unfunded actuarial accrued liability on the balance sheet of individual employers.

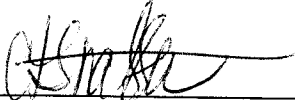
Note: The OPEB analysis from VRS (Virginia Retirement System) and WCSA's Actuary can take some time to get into the hands of Robinson, Farmer & Cox. Also, once Robinson, Farmer & Cox have the OPEB analysis it can take some time for the adjusting entries to be determined by their staff and reviewed by their Quality Control staff. The timeline above is an estimate and subject to change slightly. If the OPEB analysis and reports are ready sooner, the adjusting entries and the final audited financial statements might be completed sooner than indicated above. Also, if the reports and analysis take longer, that could slow down the process the final audited financial statements might be later than indicated above.

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Agenda Item: 17  COMMUNICATION	Adjourn
Presenter(s):	Commissioner
Beginning Time:	8:45
Potential Conflict(s) of Interest and Abstention(s):	
Background:	
Discussion:	
On the Record:	
Enclosures:	
Recommendation:	
Proposed Motion:	
Actual Motion:	Motion to Adjourn
Motion By:	Taylor
Second By:	Campbell
Voting: Ayes:	7
 Nays:	0
 Abstain:	0
End Time:	8:47



Dwain Miller, Chairman



Carol Ann Shaffer, Assistant Secretary