





**Washington County Service Authority Board of Commissioners
September 26, 2022 Regular Board Meeting Minutes**


Agenda Item: 1  COMMUNICATION	Call the Meeting to Order
Presenter(s):	Chairman
End Time:	5:58 pm


Agenda Item: 2  COMMUNICATION	Roll Call
Presenter(s):	Chairman
Present:	Mr. Thayer, Mr. Taylor, Mr. D. Miller, Mr. Campbell, Mr. Hutton, and Mrs. C. Miller
Absent:	Mr. Hutchinson
End Time:	5:59 pm

Agenda Item: 3  COMMUNICATION	Prayer and Pledge of Allegiance
Presenter(s):	Mrs. Cathy Miller opened the meeting in prayer and led the Pledge of Allegiance.
Beginning Time:	5:59 pm
End Time:	6:00 pm


Agenda Item: 4  COMMUNICATION	Approval of the Amended Agenda
Presenter(s):	Chairman
Beginning Time:	6:00 pm
Potential Conflict(s) of Interest and Abstention(s):	None
Discussion:	None
On the Record:	None
Actual Motion:	Approve the amended agenda as presented.
Motion By:	Mr. Hutton
Second By:	Mr. D. Miller
Voting:	Ayes: 6
	Nays: 0
	Abstain: 0
End Time:	6:00 pm


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Agenda Item: 5  COMMUNICATION	Public Query and Comment
Presenter(s):	Chairman
Beginning Time:	6:00 pm
Potential Conflict(s) of Interest and Abstention(s):	None
Speakers:	None
Discussion:	None
On the Record:	None
Actual Motion:	None
Motion By:	
Second By:	
Voting:	Ayes:
	Nays:
	Abstain:
End Time:	6:00 pm


Agenda Item: 6  COMMUNICATION	Approval of the Consent Agenda
Presenter(s):	Chairman
Beginning Time:	6:00 pm
Potential Conflict(s) of Interest and Abstention(s):	None
Discussion:	None
On the Record:	Mr. Campbell recognized Mr. Kiser with 10 years of service and Mr. Cox with 5 years of service.
Actual Motion:	Motion to approve the Consent Agenda.
Motion By:	Mrs. C. Miller
Second By:	Mr. Thayer
Voting:	Ayes: 6
	Nays: 0
	Abstain: 0
End Time:	6:01 pm


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Agenda Item: 7  COMMUNICATION	Key Performance Metrics, Exceptions Report(s)		
Presenter(s):	Robbie Cornett, Ryan Kiser, Holly Edwards, and Ron Seay		
Beginning Time:	6:01 pm		
Potential Conflict(s) of Interest and Abstention(s):	None		
Discussion:	The team reviewed the attached presentation.		
On the Record:	None		
Actual Motion:	None		
Motion By:			
Second By:			
Voting:	Ayes:		
	Nays:		
	Abstain:		
End Time:	6:09 pm		

Agenda Item: 8  COMMUNICATION	Staff Reports and Updates		
Presenter(s):	Robbie Cornett		
Beginning Time:	6:09 pm		
Potential Conflict(s) of Interest and Abstention(s):	None		
Background:	None		
Discussion:	Mr. Cornett discussed the attached report with the Board.		
On the Record:	None		
Enclosures:	None		
Recommendations:	None		
Proposed Motion:	None		
Actual Motion:	None		
Motion By:			
Second By:			
Voting:	Ayes:		
	Nays:		
	Abstain:		
End Time:	6:59 pm		


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Agenda Item: 9  FINANCIAL VIABILITY	2022 Fiscal Year Performance
Presenter(s):	Robbie Cornett
Beginning Time:	6:59 pm
Potential Conflict(s) of Interest and Abstention(s):	None
Background:	None
Discussion:	Mr. Cornett reviewed the attached presentation.
On the Record:	None
Enclosures:	None
Recommendation:	None
Proposed Motion:	None
Actual Motion:	None
Motion By:	
Second By:	
Voting:	Ayes:
	Nays:
	Abstain:
End Time:	7:07 pm

Agenda Item: 10  COMMUNICATION	Strategic Plan Goal: Communication
Presenter(s):	Holy Edwards
Beginning Time:	7:07 pm
Potential Conflict(s) of Interest and Abstention(s):	None
Background:	None
Discussion:	Mrs. Edwards updated the Board on the following: <ul style="list-style-type: none"> • VoIP Phone System • Video Message Board • In the Pipe Meetings • Employee Appreciation Week / Open Enrollment
On the Record:	None
Enclosures:	None
Recommendation:	None
Proposed Motion:	None
Actual Motion:	None
Motion By:	

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Second By:	
Voting:	Ayes:
	Nays:
	Abstain:
End Time:	7:11 pm

Agenda Item: 11  COMMUNICATION	Closed Meeting
Presenter(s):	Commissioner
Beginning Time:	7:11 pm
Potential Conflict(s) of Interest and Abstention(s):	None
On the Record:	None
Actual Motion:	Adjourn to Closed Meeting
Motion By:	Mr. D. Miller
Second By:	Mr. Thayer
Voting:	Ayes: 6
	Nays: 0
	Abstain: 0
End Time:	7:13 pm


WASHINGTON COUNTY SERVICE AUTHORITY
BOARD OF COMMISSIONERS
Closed Meeting September 26, 2022

Mr. D. Miller moved 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 discussion and consideration of the award of a public contract involving the expenditure of public funds, and discussion of the terms and scope of such contract, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the public body, and specifically involving a proposed legal services agreement between the Authority and Dene & Dene, P.C., pursuant to Va. Code Section 2.2-3711(A)(29).

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

Mr. Thayer seconded, and the motion carried with a vote of 6-0.

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Agenda Item: 12  COMMUNICATION	Return to Open Meeting
Presenter(s):	Commissioner
Beginning Time:	7:30 pm
Potential Conflict(s) of Interest and Abstention(s):	None
On the Record:	None
Actual Motion:	Motion to return to Open Session
Motion By:	Mr. Taylor
Second By:	Mr. Hutton
Voting:	Ayes: 6
	Nays: 0
	Abstain: 0
End Time:	7:32 pm

Return to Public Meeting

Mr. Taylor moved that the Board return to Open Session. Mr. Hutton seconded and the Board approved voting 6-0.

Certification of Closed Meeting


Mr. D. Miller moved 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.

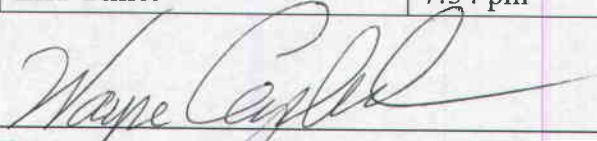
Aye Mr. Thayer, Mr. Taylor Mr. D. Miller, Mr. Campbell, Mr. Hutton, and Mrs. C. Miller

Agenda Item: 13 A  COMMUNICATION	Late Items
Presenter(s):	Commissioner
Beginning Time:	7:32 pm
Potential Conflict(s) of Interest and Abstention(s):	None

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On the Record:	None
Discussion:	None
Actual Motion:	Mr. Thayer moved to approve the Legal Services Agreement with an effective date of October 1, 2022, by and between DENE & DENE, P.C., 138 Court Street, N.E., Abingdon, Virginia 24210, and the WASHINGTON COUNTY SERVICE AUTHORITY, 25122 Regal Drive, Abingdon, Virginia, 24211, and an Addendum thereto with the same effective date for legal services related to USDA Rural Development funded projects.
Motion By:	Mr. Thayer
Second By:	Mrs. C. Miller
Voting:	Ayes: 6
	Nays: 0
	Abstain: 0
End Time:	7:33 pm

Agenda Item: 14  COMMUNICATION	Adjourn
Presenter(s):	Commissioner
Beginning Time:	7:33 pm
Potential Conflict(s) of Interest and Abstention(s):	None
On the Record:	None
Actual Motion:	Motion to adjourn.
Motion By:	Mr. Taylor
Second By:	Mr. Thayer
Voting:	Ayes: 6
	Nays: 0
	Abstain: 0
End Time:	7:34 pm



 Wayne Campbell, Chairman



 Carol Ann Shaffer, Assistant Secretary



Key Performance Metrics

August 2022 Exceptions Report

Ryan Kiser

Capital Improvement Projects Ontime /On Budget

Exception

- Continuing to identify the appropriate metric

Countermeasure

- Continue metric identification

Holly Edwards

All Customer Service Manager Metrics

Exception

- Currently, little data to support metrics and accuracy of data is an issue

Countermeasure

- New phone system, properly setup (including training) will allow accurate data to be collected

Ron Seay

Hydrants Out-of-Service

Exception

- 14 of 1,738 hydrants are out of service or 0.8%
- 5 are waiting on repair parts
- 4 are due to low flow
- 5 due to low flow test in August

Countermeasure

- Repair parts lead time is 22 weeks – due Oct./Nov.
- Review Hydraulic study & verify valve settings
- 5 on Clear Creek put in service - Added metal tags showing the max. flow & throttle valve – 620 GPM

Robbie Cornett

Human Resource Manager and Controller Metrics

Exception

- Data and resources to support the metrics was not available

Countermeasure

- Ensure data and resources to support the metrics are available in October

Staff Reports and Updates

As we continue to settle into the new reporting structure discussed at the Board Retreat, we recognize that there may be important information that is not being shared. For this reason, we propose to share this information tonight in-person. After preparing this information however, we believe it may be timelier to provide a written report, monthly, that you can read and refer to at your convenience, and then ask questions about at the meeting. We propose to try that next month and look forward to your feedback.

1. Fire Hydrant Funding, August 2022 Action Item

- a. Rural Development, Virginia Department of Health, and Mount Rogers Planning District Commission do not know of fire hydrant funding
- b. Washington County is unaware of funding but may consider funding for two recent (Mandalay Bay and Denton Valley) and unfunded requests
- c. WCSA could finance and add to the water bill the cost of a hydrant however, residents and landowners without water could not be required to participate
- d. Washington County may be able to assess the cost of a hydrant to landowner's tax ticket

2. Penalty Forgiveness Policy

- a. Draft is in circulation to be considered by Staff, General Counsel, Bond Counsel, and lenders

3. Emory & Henry Expansion @ Exit 26

- a. Initial discussion with BurWil and their request-for-information occurred Sep 2021
- b. E&H announces new apartment style housing Jan 2022
 - i. 36 apartments – 144 beds (north side)
- c. E&H announces a new sports complex (north side) and equestrian (south side) facility Feb 2022
- d. WCSA is awaiting sanitary sewer and fire flow demands for these projects. We hope to meet their needs and because construction is already underway, have okayed the first set of (24) apartments (96 beds).
- e. For a developer to obtain a building permit, WCSA must certify water and sewer is available
- f. Ordinarily we learn of projects like this through the (monthly) Washington County, TRC (technical review committee) meetings. There was no mention of the/these projects before they were announced.
- g. WCSA has engaged T&L/CHA to provide a hydraulic model for the sewer system from the development to the treatment facility
- h. We know our HCWRF is 100,000 gallons/day away from needing an action plan
 - i. 630,000 GPD facility operating at 400,000 GPD
 - ii. DEQ requires an action plan at 80% of capacity
- i. What we are unsure about is the gravity sewer and fire flow capacity

4. AEP rate increases

- a. 1.8% Transmission Rate Adjustment
- b. 3.0% Virginia Clean Economy Act
- c. 0.15% Energy Efficiency Rate Adjustment
- d. 6.0% APCo Base Rate
- e. Fuel Factor to increase from 2.300 cents per kilowatt-hour to 4.319 cents with implementation on November 1, 2022, on an interim basis until final approval.
- f. \$838,457 2022 WCSA Approved Budget
- g. \$933,302
- h. \$94,845 Estimated increase (excluding fuel factor)
- i. Staff proposes no change in the approved budget; lets take a wait and see approach

5. Lee Highway Corridor Sewer Project

- a. Public Hearing for potential condemnations is being scheduled for next month's Board Meeting
- b. Easements 174
- c. Easements remaining 55 (31%)
- d. To remain on schedule (advertise in November 2022), the Board would need to advertise for and conduct a public hearing, and pass a resolution approving of and authorizing WCSA General Counsel to file certificate of takes in the Clerk's Office for each easement
- e. Mr. Dene has advised that the advertisement for the public hearing should include the tax parcel numbers of the affected landowners.
- f. Staff believes that some of the easements will be obtained prior to advertising and even more will be obtained prior to filing the certificates of take (Feb/Mar 2023).
 - i. USDA Rural Development requires Mr. Dene to provide an opinion of counsel relative to rights-of-way before approving of advertisement for construction bids and the only way Mr. Dene can do so is if the Board has voted to file the certificates, if they are not obtained before time to issue the notice to proceed (Feb/Mar 2023).
- g. *Is there any objection from the Board in proceeding with the public hearing?*

6. Lee Highway Corridor Sewer Project, Cost Overrun Funding, Potential Offer

- a. Requested \$11.38 million
- b. Virginia Department of Environmental Quality provided notice of potential offer on September 16, 2022
- c. Public Comment to be held October 21 @ 10:00 AM in Richmond
- d. VaDEQ Board will meet November 29 to authorize loan rates, terms, and conditions, subject to favorable financial capability analysis report from the Virginia Resources Authority
- e. This is one of two VaDEQ applications; 100% grant is needed if not required to realize this project

7. Mendota Road Project

- a. Notice to proceed was issued on September 12, 2022, for both Contracts
- b. Pipe on order and expected towards yearend
- c. WCSA awaits word from Army Corp of Engineers on permits for stream crossings
- d. Continuing effort is being made to secure funding needed to construct the entire project

8. Mary's Chapel /Archery Range Road

- a. Staff was finally able to secure a site for the pump system pressure tanks.
- b. Hydraulics and plans can now be finalized and submitted to VDH for approval followed by advertising for construction bids (October 30, 2022)
- c. WCSA awaits word from the Army Corp of Engineers on permits for stream crossings

9. WSL-010-21A (Prices Bridge, Taylor's Valley, Monroe and Green Springs Roads)

- a. Work is underway on Monroe Road. Contractor awaiting pipe for other roads/projects which are expected any day with completion of the work currently scheduled for March 9, 2023

10. WSL-010-21B (Abrams Falls, Hobbs, and Fleenor's Memorial Roads)

- a. Work is complete on these projects and Certificate of Substantial Completion was issued to contractor on September 9, 2022.
- b. Expect project will be closed out in October.

11. Galvanized Line Phase 3, Industrial Park Road, Change Order

- a. Contractor is completing permits so that work can begin. A construction schedule is being developed however the Contract stipulates 6-months to completion from Notice to Proceed.

12. Mill Creek Chlorine Contact Tanks

- a. Contractor is waiting on tank materials
- b. Staff has applied for \$100,000 in additional funding through the Mount Rogers Planning District Commission to supplement project funding
- c. Due to the materials delay and winter, construction is scheduled to start in March 2023 and finish in August 2023.

13. Mill Creek Finished Water Pump

- a. One of the two pumps is failing
- b. New pump expected in November 2022 and installation/operation within 6-weeks

14. Route 58 Water Storage Tank Demolition

- a. Work is underway, tank is on the ground, and contractor continues to haul materials offsite. (When it rains it takes about three good dry days to be able to access the tank site.)

15. Smyth Chapel Road Improvements Project

- a. Project to replace a 30+ year-old substandard booster pump station serving several dozen residents, construct a modest amount of waterline, and assume ownership of waterline on Tree Top Drive.
- b. Staff has been working with a property owner to acquire a site for the new pump station
- c. Staff has also been working with another property owner where we propose a small booster pump station on private service line.
 - i. As some of you know, the landowner has indicated their desire not to own, operate, and maintain this pump
- d. Staff is diligently looking for alternatives to avoid the private booster station.
- e. Optimistically, the project could advertise in November 2022. Much of the schedule will depend on the alternative we ultimately decide on.

16. WCSA Administrative Building Improvements Project

- a. Proceeding and on schedule to advertise for construction bids in November 2022

17. Muni-Link and Elements

- a. Muni-Link: Customer Information System
- b. Elements: Work Order Management Systems
- c. As you probably recall, these systems were supposed to go live months ago
- d. A challenge is real-time/automatic integration among these systems and our accounting and geographic information systems
 - i. At present, the exchange of information between systems is to occur via downloading and uploading files. This requires staff training and intervention and increases the probability of data/information errors
- e. Weekly meetings continue as we look for solutions

18. Itron AMI

- a. WCSA's automated metering infrastructure project was to be completed more than a year ago. Itron (with whom we have contracted) continues to struggle with various aspects of reading our meters through the AMI network in Washington County.
- b. Staff and legal counsel are reviewing the Contracts and weighing our options for encouraging Itron to define and remedy the issues soon.



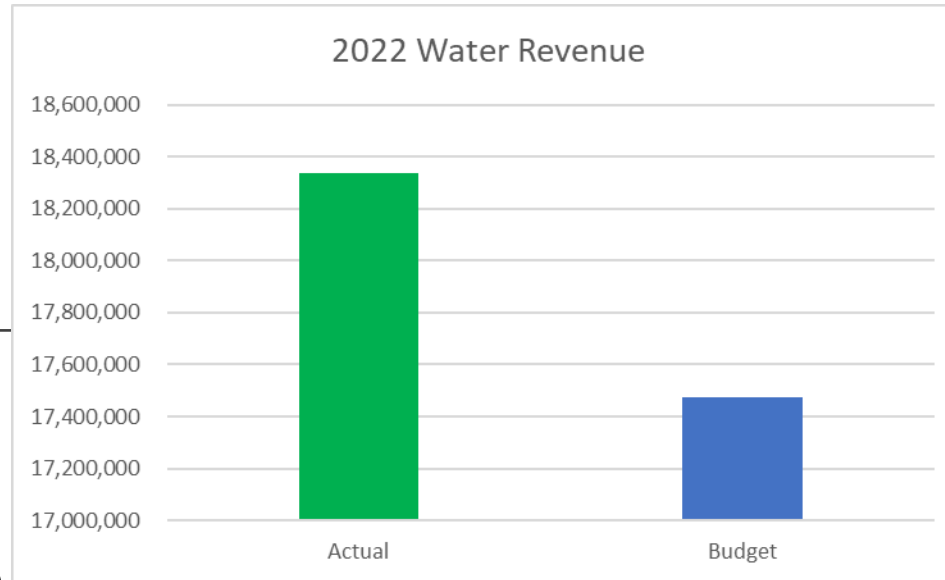
FY 2022 Financial Performance and FY 2022 Audit

AUGUST 22, 2022

Included and Excluded

- **Included** revenue, department expenses, and depreciation
- **Excluded** is capital, debt service, depreciation

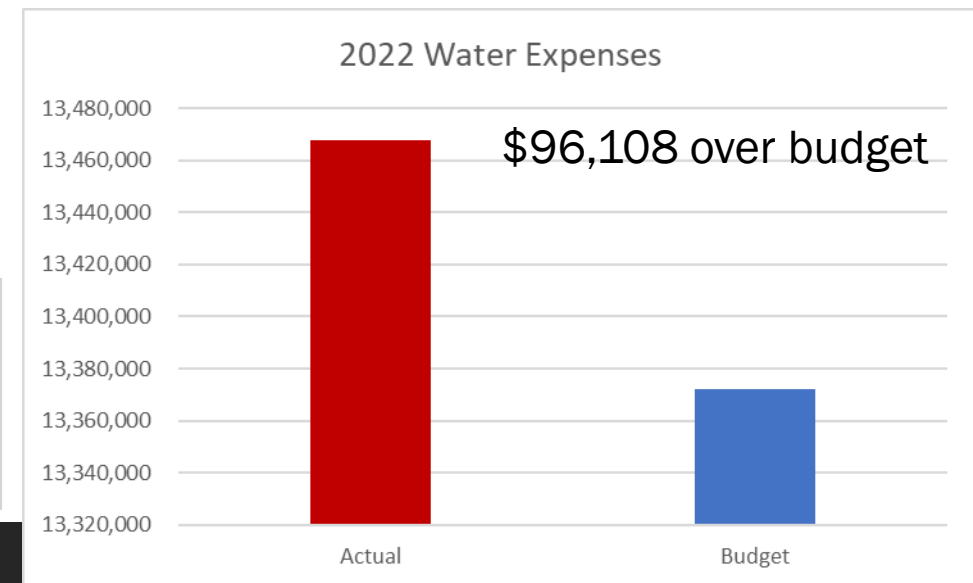
Financial Viability
To serve as financial stewards of WCSA's resources



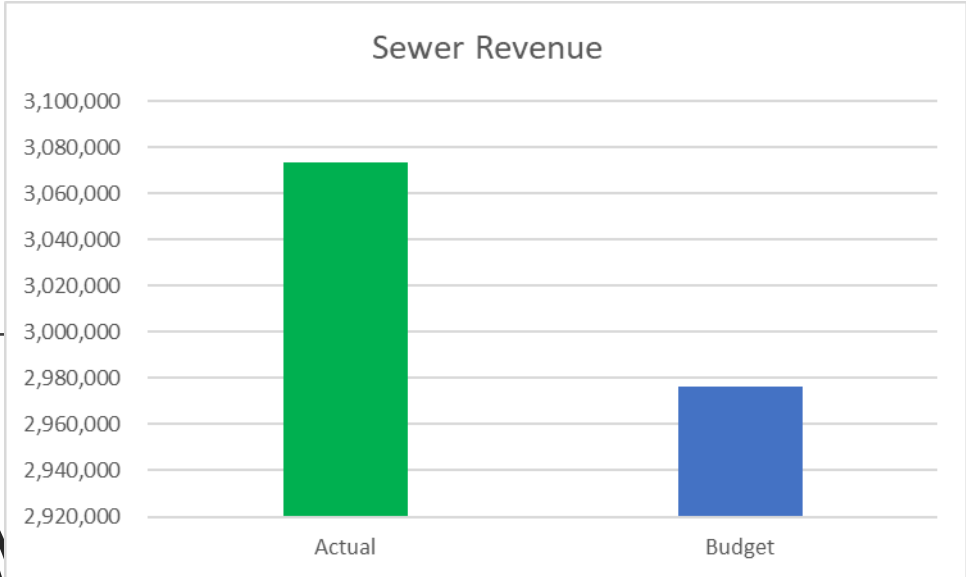
\$860,620 better than budgeted.
Believed to be a result of the meter replacement project.

Excludes capital project revenue/expenses and debt service.

100-50-501900 Credit Card Processing Charges	(46,987)	194,783
100-50-603220 Cleaning Service	(16,426)	14,031
100-54-550200 Overtime	(113,521)	135,000
100-54-705610 Diesel	(27,544)	19,386
100-54-705620 Unleaded	(83,587)	56,556
TOTAL	(288,065)	



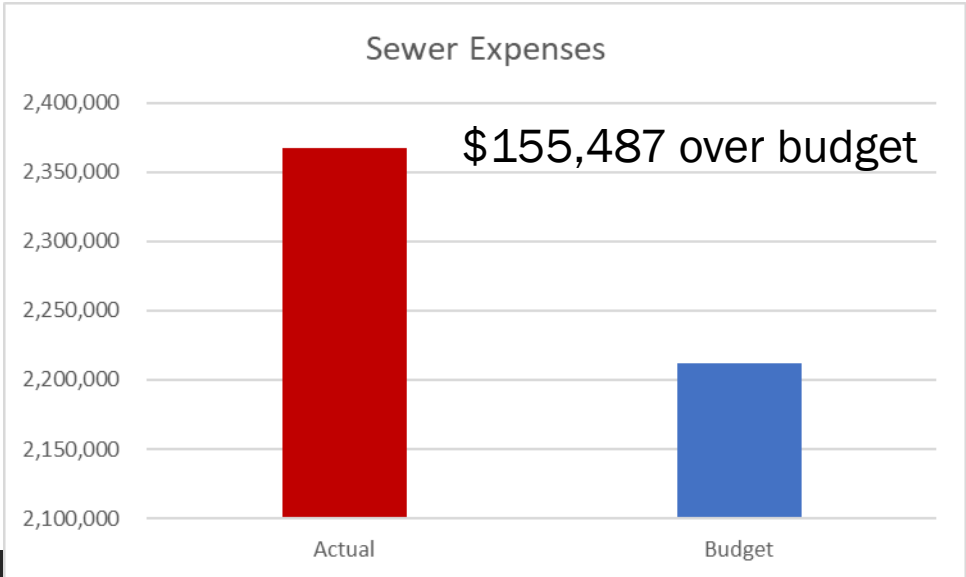
Financial Viability
To serve as financial stewards of WCSA's resources



\$97,313 better than budgeted. Believed to be a result of the meter replacement project.

Excludes capital project revenue/expenses and debt service.

<i>300-54-550110 Comp. - Regular</i>	<i>(42,849)</i>
<i>300-54-550300 Health Insurance</i>	<i>(23,316)</i>
<i>300-55-504200 Engineering Fees</i>	<i>(30,793)</i>
<i>300-55-550300 Health Insurance</i>	<i>(40,068)</i>
<i>300-55-603600 Sewer Rent to BVU</i>	<i>(63,743)</i>
TOTAL	(200,769)



Looking Ahead

➤ Controls

➤ Controller to

- Develop
- Train
- Implement
- Audit
- Stable Results
- GM to audit

➤ 2022 Audit is scheduled for January 2023

- Working with Auditor to achieve an earlier date and get our Audits back on schedule