

VIRGINIA:

At a regular meeting of the Washington County Board of Supervisors held Tuesday, November 25, 2008, at 7:00 p.m., at the County Administration Building in Abingdon, Virginia the following were present:

PRESENT:

Kenneth O. Reynolds, Chairman
Jack R. McCrady, Jr., Vice Chairman
Phillip B. McCall
Dulcie M. Mumpower
Odell Owens
Paul O. Price
Thomas G. Taylor

Mark K. Reeter, County Administrator
Lucy E. Phillips, County Attorney
Mark W. Seamon, Accounting Manager
Naoma A. Norris, Recording Clerk

1. Call to Order

The meeting was called to order by Mr. Kenneth O. Reynolds, Chairman of the Board, who welcomed everyone in attendance.

2. Invocation and Pledge of Allegiance

Supervisor Dulcie Mumpower gave the Invocation and led the Pledge of Allegiance.

3. Approval of Agenda

On motion of Mr. McCrady, second by Mr. Owens, it was resolved to approve the agenda with the following amendment:

Move Presentation by Tennessee Valley Authority to new Item 3.a.

The vote on this motion was as follows: (7-0)

Mr. McCall Aye
Mr. McCrady Aye
Mrs. Mumpower Aye
Mr. Owens Aye
Mr. Price Aye
Mr. Reynolds Aye

Mr. Taylor *Aye*

3.a. Presentation by Tennessee Valley Authority

The Board received a presentation from representatives of the Tennessee Valley Authority (TVA).

Ms. Dana Vaughn, Watershed Representative for the TVA presented a report on the Northeastern Tributary Reservoirs Land Management Plan. Ms. Vaughn explained that in accordance with the 2006 TVA Land Policy, the TVA shall continue to develop reservoir land management plans for its reservoir properties with substantial public input and with approval of the TVA Board of Directors. The TVA is currently doing a Land Management Plan on the Northeastern Tributary Reservoirs which include Beaver Creek, Boone, Clear Creek, Fort Patrick Henry, South Holston, Watauga and Wilbur.

Ms. Vaughn explained that the Reservoir Land Management Plans have an approximate 10-year planning horizon. They are developed by Watershed Team members and technical experts knowledgeable about the reservoir and its resources. The planning team makes land use decisions by integrating facts about agency and public needs, environmental conditions, and economic benefits. The plans are prepared following the National Environmental Policy Act process.

Ms. Vaughn next explained that the purpose of the Reservoir Land Management Plans are to integrate land and water program goals, provide for the optimum public benefit and balance competing and sometimes conflicting resource uses for a ten year vision; to provide a clear statement of how TVA intends to manage land and by identifying each parcel for specific purposes, TVA hopes to facilitate decision-making for the use of the public land in its care; the Reservoir Land Management Plans guide TVA in the management of resources and property administration decisions on land under its control. She added that the Reservoir Land Management Plans are approved by the TVA Board of Directors.

Ms. Vaughn explained that the Reservoir Land Management Planning process is divided into four steps:

Step 1: Pre-Allocation

Step 2: Scoping/New Data Collection

Step 3: Allocation and Draft Environmental Impact Statement (EIS)/Land Plan - this is the stage for the Holston-Cherokee-Douglas Tributary Reservoirs Land Management Plan.

Step 4: Plan Review and Final Environmental Impact Statement/Plan Approval (approval for the Holston-Cherokee-Douglas Tributary Reservoirs Land Management Plan is scheduled for April of 2010)

Ms. Vaughn advised the Board that they still have the opportunity to review the plan for South Holston and submit comments to TVA.

Next Ms. Susan Jacks, Manager of the River Forecast Center for TVA, made a presentation on reservoir operations.

Ms. Jacks explained that the TVA is charged with managing the river system. She explained that the river system benefits include navigation; flood-damage reduction; power generation; water supply; water quality and recreation. She reviewed the annual runoff variability for the eastern part of the Tennessee Valley for calendar year 2008, which shows the runoff to be at 49 percent of what is normal. Next, Ms. Jacks reviewed the calendar year 2007 and 2008 rainfall totals. She discussed the challenges the drought caused in some parts of the Tennessee Valley and how flooding impacted parts of the Tennessee Valley.

She added that the benefits of the large rainfalls this year were not realized because of the severe drought situations that the TVA has faced.

Ms. Jacks explained that the tributaries hold the bulk of water storage for TVA. She reviewed the minimum flow requirements for South Holston, Wilbur/Watauga and Fort Patrick Henry. Ms. Jacks said the TVA is concerned about the water intake levels for the Bristol system, and wants to make sure that the South Holston Reservoir has enough storage to get through the remainder of the year.

Ms. Jacks concluded her presentation by explaining that Boone is not one of the ten large tributary reservoirs used to meet minimum flow commitments and that no water was taken from South Holston to fill Boone.

Lengthy discussions ensued with input from Ms. Vaughn and Ms. Jacks. The primary issues discussed was the water levels for Bristol Virginia Utilities system, the amount of revenue the County receives from TVA for land they own in the County, the TVA Land Management Plans, and the Land Management Plan for the South Holston Reservoir.

Mr. McCrady commented on the water level at South Holston and explained it has been three years since the floating dock at Washington County Park has been in the water. He further explained that the Washington County Park is in dire need of a floating dock that has a mechanical lift, and requested that the TVA provide financial assistance with the purchase of this type of floating dock. Mr. McCrady further requested that Washington County have a citizen appointed to the TVA Recreational or Land Use Committee since Washington County is the only land mass that completely encompasses South Holston on the Virginia side.

Mr. Reynolds explained that his magisterial district includes land along the South Holston Lake shoreline, and that he gets many questions from his constituents about the lake. He further explained that many of the homeowners have docks that are not under water. These homeowners want to know what is going to happen with the lake in the future. Mr. Reynolds stated that recreation is very important to Washington County. He requested that the County be provided with a name and telephone number of a TVA representative that can be contacted with questions.

Mr. J. Bert Robinson, Manager of the Northeast Valley District of the TVA, explained that he would be the contact person and would provide the County with his contact information.

4. Closed Meeting:

- a. Request to convene in Closed Meeting pursuant to Virginia Code Section 2.2-3711(A)(7) for consultation with the County Attorney regarding specific legal matters requiring the provision of legal advice by such counsel, more specifically for discussion of the Agreement of Purchase and Sale for acquisition of the Johnson-Millsap property and the Closing Date for such acquisition**

Ms. Phillips recommended that Supervisor Phillip McCall abstain from participation in the Closed Meeting.

On motion of Mr. McCrady, second by Mr. Taylor, the Board acted to convene in Closed Meeting pursuant to Virginia Code Section 2.2-3711(A)(7) for consultation with the County Attorney regarding

specific legal matters requiring the provision of legal advice by such counsel, more specifically for discussion of the Agreement of Purchase and Sale for acquisition of the Johnson-Millsap property and the Closing Date for such acquisition. It was further resolved to include County Administrator Mark Reeter and County Attorney Lucy Phillips in the Closed Meeting.

The vote on this motion was as follows: (6-0-1)

<i>Mr. McCall</i>	<i>Abstained</i>
<i>Mr. McCrady</i>	<i>Aye</i>
<i>Mrs. Mumpower</i>	<i>Aye</i>
<i>Mr. Owens</i>	<i>Aye</i>
<i>Mr. Price</i>	<i>Aye</i>
<i>Mr. Reynolds</i>	<i>Aye</i>
<i>Mr. Taylor</i>	<i>Aye</i>

b. Reconvene Open Meeting and Certification of Closed Meeting

After returning to the meeting, the Chairperson noted that upon motion of Mr. McCrady, second by Mr. Owens and favorable vote, the Board of Supervisors reconvened in open meeting. The Chairperson called for any participant in the closed meeting(s) who believed that there was a departure from the requirements of the Virginia Freedom of Information Act during the closed meeting(s), to state the substance of the departure that they believed took place. No members of the Board responded to the Chairperson’s call for statements.

On motion of Mr. McCrady, second by Mr. Price, the members of the Board certified the closed meeting(s) in accordance with the requirements of the Virginia Freedom of Information Act. By vote in favor of this motion, each member certified that the closed meeting was conducted in conformity with Virginia law, and that only public business matters lawfully exempted from open meeting requirements and identified in the motion by which the closed meeting was convened was heard, discussed, or considered in the closed meeting.

The vote on this motion was as follows: (6-0-1)

<i>Mr. McCall</i>	<i>Abstained</i>
<i>Mr. McCrady</i>	<i>Aye</i>
<i>Mrs. Mumpower</i>	<i>Aye</i>
<i>Mr. Owens</i>	<i>Aye</i>
<i>Mr. Price</i>	<i>Aye</i>
<i>Mr. Reynolds</i>	<i>Aye</i>
<i>Mr. Taylor</i>	<i>Aye</i>

5. Consent Agenda:

On motion of Mr. McCall, second by Mr. Owens, the Board acted to approve items a, b, c, and d of the Consent Agenda as set forth below.

a. Approval of Minutes:

1. November 12, 2008 Regular Meeting

b. Approval of Routine Financial Matters:

1. Request for Supplemental Appropriation – Washington County Sheriff’s Office for Restitution Received for Investigation Expenses
2. Request for Supplemental Appropriation – Washington County Sheriff’s Office for Donation Received
3. Budget Status Reports - October 31, 2008

c. Award of Bids and Approval of Contracts:

1. Acceptance of State Homeland Security Grant Award

d. Authorization of Routine Business Matters:

1. Proposed Resolution Concerning Conveyance of Real Property to County – Approved as follows:

WHEREAS, the Board of Supervisors of the County of Washington, Virginia, resolved at its regular meeting held on September 9, 2008, to approve Real Estate Purchase and Sales Agreements for acquisitions of certain real properties, as follows:

By Resolution 2008-37, to acquire real property located in the Monroe Magisterial District from Ralph L. Lincoln, Jr., and Margaret (“Peggy”) Church Lincoln, his wife, more specifically a portion of Tax Map No. 051-A-23; and

By Resolution 2008-38, to acquire real property located in the Wilson Magisterial District from James Darrin McReynolds and James B. McReynolds, more specifically Tax Map No. 119D-4-51;

And

WHEREAS, Va. Code § 15.2-1803 requires that no deed of conveyance of real property to a locality shall be valid unless accepted by the locality, which acceptance shall appear on the face of the deed or on a separately recorded instrument and shall be executed by a person authorized to act on behalf of the locality; and

WHEREAS, the Board finds it in the best interests of the public health, safety, and welfare to accept the conveyances of real property as set forth in the Purchase and Sale Agreements that were approved by the Board as recorded in Resolutions 2008-37 and -38.

NOW, THEREFORE, on the basis of the foregoing, the Board of Supervisors of the County of Washington, Virginia, does hereby resolve to authorize the County Administrator to certify on behalf of the County of Washington, Virginia the acceptance of deeds of conveyance consistent with the above-referenced resolutions.

2. Request for Authorization for Public Hearing on Cable Television Franchise for City of Bristol, Virginia d.b.a. Bristol Virginia Utilities

The vote on this motion was as follows: (7-0)

<i>Mr. McCall</i>	<i>Aye</i>
<i>Mr. McCrady</i>	<i>Aye</i>
<i>Mrs. Mumpower</i>	<i>Aye</i>
<i>Mr. Owens</i>	<i>Aye</i>
<i>Mr. Price</i>	<i>Aye</i>
<i>Mr. Reynolds</i>	<i>Aye</i>
<i>Mr. Taylor</i>	<i>Aye</i>

6. General Business:

a. Actionable Items:

1. Consideration of Draft Ordinance to Amend Chapter 58, Subsections 58-86, 58-281, and 58-282, of the Code of Washington County, Virginia, to Establish Semi-Annual Collection of Local Taxes

Washington County Treasurer Fred Parker addressed the Board concerning the draft ordinance to establish a semi-annual collection of local taxes. Mr. Parker explained that at the request of the County Administrator that the County Attorney and he drafted the proposed ordinance for the Board's consideration. He further explained that if the Board wishes to proceed with the draft ordinance that he recommends the ordinance become effective in January 2010 with the first collection date being May 20, 2010, and the second collection date being November 20, 2010 (which was a date previously suggested by a Board member). Mr. Parker stated that semi-annual collection of taxes would ease the cash flow issues that the County encounters during the first quarter of the fiscal year.

Mr. Parker explained that taxpayers can currently pay their taxes in monthly installments, quarterly installments or can pay their taxes early.

On motion of Mr. Taylor, second by Mr. Owens, the Board acted to authorize staff to proceed with the legal advertisement for a public hearing on the proposed ordinance.

Discussions ensued among the Board concerning the proposed action.

Mr. Taylor asked when people would be notified of their reassessment. Mr. Parker explained that it is his understanding that the contract calls for notices to be mailed to the taxpayers in December of this year.

Mr. McCall inquired how figures would be determined for the first of the two installments of taxes. Mr. Parker explained that if the Board goes with semi-annual tax collection that they must set the real estate tax rate no later than the third week of March each year, which means the tax rate will be set before the County knows what revenue it will be receiving from the State. The Commissioner of Revenue's Office must have the tax rate set in order to run the tax books. He further explained that the Treasurer's Office will need to begin using a billing service because of the turnaround time to get the tax bills in the mail to

allow the taxpayer adequate time to pay their bill. Mr. Parker said that a request for proposal will be issued in order to obtain the professional services needed by the Treasurer’s Office.

Mr. Parker explained that based on conversations with the Board over the years that his office has been gearing up for semi-annual collection of taxes. He further explained that the implementation of semi-annual tax collection will require additional staff for the Commissioner of Revenue’s Office, and the Treasurer’s Office will need a separate office staff dedicated to the collection of delinquent taxes.

Mr. Price stated that he had previously proposed that the due date for taxes be set for November 20. He explained that by implementing semi-annual collection of taxes that the County will be making it mandatory for the taxpayer to pay taxes early, which is something the taxpayer can already do voluntarily. Mr. Price further explained that a better option would be to encourage taxpayers to voluntarily take advantage of the monthly payment plan. He asked if a taxpayer could not meet the first semi-annual tax payment would there be a penalty. Mr. Parker explained that there would have to be a penalty assessed. Mr. Parker further explained that he would do everything within his power to begin notifying the taxpayers in 2009 of the change to semi-annual collection of taxes beginning in 2010. Mr. Parker said notices would be placed in the tax bills and posted in the newspaper.

Mr. McCrady stated that he receives a lot of comments from his constituents that they would like the County to get away from taxes being due at Christmas time and to go with semi-annual tax collection. He explained that paying taxes earlier in the year is not paying in advance. The taxes charged in mid-year would be for time that had already passed.

Further discussions ensued among the Board.

Mr. Owens stated that his constituents believe that moving to semi-annual tax collection is a good move for the County.

Ms. Phillips advised the Board that the earliest the public hearing could be scheduled on the proposed ordinance would be the second Board meeting in January 2009.

The vote on this motion was as follows: (6-1)

<i>Mr. McCall</i>	<i>Aye</i>
<i>Mr. McCrady</i>	<i>Aye</i>
<i>Mrs. Mumpower</i>	<i>Aye</i>
<i>Mr. Owens</i>	<i>Aye</i>
<i>Mr. Price</i>	<i>Nay</i>
<i>Mr. Reynolds</i>	<i>Aye</i>
<i>Mr. Taylor</i>	<i>Aye</i>

b. Informational Items:

1. Presentation by Tennessee Valley Authority

Moved to Item 3.a.

2. **Review of First Draft of Proposed Board By-laws, General Policies and Operating Procedures for Calendar Year 2009**

Mr. Reeter presented for the Board's review the first draft of the proposed Board By-laws, General Policies and Operating Procedures for Calendar Year 2009. These documents will be adopted by the Board at their January 2009 organizational meeting. He asked that Board members provide him with their proposed amendments prior to the December 9 Board meeting so that he can present a revised set of documents at the December 9 meeting for Board review.

Mr. Reeter explained that he proposes the following amendments to the Board's By-laws, General Policies and Operating Procedures:

Proposed By-laws Amendments:

Section 8.3.h clarifies that only an affirmative vote of the Board can adopt a motion to authorize a Board action. As an example, a Board motion NOT to do something which fails on a vote of three ayes – four nays does not automatically authorize the action to be taken. Another motion must be made and voted on favorably by a majority of the Board in order for the action to be taken. Motions for the Board to act (or not to act) on something must be voted on favorably by a majority of the Board – actions cannot be taken 'by default' where the Board fails to affirmatively vote on something.

Mr. Reeter explained that several non-substantive 'housekeeping' language changes are also proposed for terminology used in the By-Laws Definitions section and in Article 13.

Discussions ensued among the Board.

Mr. Owens asked if the policy relating to reimbursement of travel expenses incurred by Board members were included in any of the proposed amendments. Mr. Reeter explained that these policies could be made part of the Board's General Policies and is an issue the Board may wish to discuss at their December meeting. Mr. Owens explained that the Personnel Committee has reviewed travel reimbursement policies for the Board and would like to present them to the Board. Mr. Reeter stated that he will place the issue on the Agenda for the December 9 Board meeting.

Mr. Taylor commented on the proposed amendment to the by-laws regarding an affirmative vote to adopt a motion to authorize Board action. He explained that the minutes of the November 12, 2008, rescheduled regular Board meeting read that the motion made by Mr. McCall to approve the rezoning request of Farmers Warehouse reads that the action was to follow the recommendation of the Planning Commission and deny the rezoning requesting. The Recording Clerk stated that this was an error. Therefore, the following motion was made to correct the minutes of the November 12, 2008, rescheduled regular meeting of the Board:

On motion of Mr. Price, second by Mr. Owens, the Board acted to approve the minutes of the November 12, 2008, rescheduled regular Board meeting with the following amendment:

Page 15749, correct motion to read as follows:

On motion of Mr. McCall, second by Mr. Price, it was resolved to approve the application of Farmers Warehouse to rezone approximately 29 acres of property located on the north side of State Route

704/State Route 11 from M-1 (Industrial, Limited) to B-2 (Business, General) Monroe Magisterial District, A-01 Election District.

The vote to amend the minutes was as follows: (7-0)

Mr. McCall	<i>Aye</i>
Mr. McCrady	<i>Aye</i>
Mrs. Mumpower	<i>Aye</i>
Mr. Owens	<i>Aye</i>
Mr. Price	<i>Aye</i>
Mr. Taylor	<i>Aye</i>
Mr. Reynolds	<i>Aye</i>

Proposed General Policy Amendments:

Mr. Reeter explained that no changes are proposed for existing Board General Policies Articles 1 through 11 for Calendar Year 2009. However, he proposes Board consideration of adoption of a new Article 12. Fiscal Policy. He further explained the Board had held several worksession meetings in 2008 concerning adoption of a Fiscal Policy for the County without authorizing adoption. Draft Article 12 consists of the following policy subsections:

- 12.3. Debt Policies
- 12.4. Cash Flow, Starting Balances and Reserve Policies
- 12.5. Investment and Cash Disbursement Policies

Mr. Reeter explained that at this time given the economic situation that the Board is not asked to consider Subsection 12.2. Capital Improvement Plan Policies. However, in these difficult times it critical to have a sound Fiscal Policy.

Substantial discussions ensued among the Board concerning the proposed Fiscal Policy.

Mrs. Mumpower inquired if the Fiscal Policy is adopted could there be amendments. Mr. Reeter explained that the Board could make revisions to the Fiscal Policy at any time.

Further discussions ensued among the Board with the Board giving consensus that the County Administrator includes the Fiscal Policy as a new Article 12 in the General Policies.

There was some discussion devoted to the new structure for Board Committees that was proposed by the County Administrator for CY 2008.

Proposed Operating Procedures Amendments:

Mr. Reeter explained that a new Section 6. Webcast of Board of Supervisors Meetings is proposed to be added to the Operating Procedures. This would authorize the start of downloadable audio and video recordings of the Board of Supervisors meetings from the County’s website beginning in 2009. He further explained that the language for the proposed new Section 6 continues to be worked out so there may be some revisions to this section presented to the Board in December.

Discussions ensued among the Board concerning the proposed Section 6 of the Operating Procedures.

7. Board Member Reports

Mr. Taylor reported that he attended several workshops at the Virginia Association of Counties (VACo) Annual Conference. One particular workshop of interest was on sustainable growth. Senator Frank Ruff and Delegate Terry Kilgore both attended this workshop and commented that the State of Virginia needs to realize when legislation is passed it may be applicable to urban areas of the State, but not in rural areas. Mr. Taylor explained this brings up the issue of unfunded mandates such as the Erosion and Sediment Control Program. This program may work in the cities of Virginia, but not in the rural counties. These rules do not make sense for the rural parts of the State and are a waste of the taxpayer's money. The General Assembly needs to be mindful of these issues and work toward finding some concessions before implementing legislation. Mr. Taylor recommended that concessions be sought from the regulating agencies.

Mr. Taylor reported that he recently attended a meeting in Asheville, NC on Global Warming. He further reported that there was a workshop at the VACo Conference on green space that addressed modifying government buildings to make them more emergency efficient. Mr. Taylor said the County needs to begin moving in this direction and possibly consider appointing a committee to work with County staff.

Mr. Owens reported that the County Facilities Committee is close to bringing a recommendation to the Board on a firm to evaluate Johnston Memorial Hospital for possible use as a County Government Office Complex.

Mr. Owens commented about a recent story on the news about the Washington County Sheriff's Office receiving \$699,000.00 from the Department of Justice for its share of proceeds from sale of items that came from drug raids. Sheriff Fred Newman stated in the news story that a portion of these funds would be used to renovate the American Electric Power Building (AEP). Mr. Owens said that the use of a portion of these funds would help the County with getting the building ready for use as office space for the Sheriff's Department

Mr. Reynolds commented on the money the County received for payment in lieu of taxes which will help to increase the County's contingency fund.

8. Board Information and Reminders

Mr. Reeter reviewed the following Board Information:

- County Offices will be closed beginning 12:00 noon Wednesday, November 26 through Friday, November 28 for the Thanksgiving Holiday.

9. Adjourn

On motion of Mr. Owens, second by Mr. McCall, it was resolved to adjourn the meeting.

The vote on this motion was as follows: (7-0)

<i>Mr. McCall</i>	<i>Aye</i>
<i>Mr. McCrady</i>	<i>Aye</i>

Mrs. Mumpower *Aye*
Mr. Owens *Aye*
Mr. Price *Aye*
Mr. Taylor *Aye*
Mr. Reynolds *Aye*

Prepared by:

Naoma A. Norris, Recording Clerk

Approved by the Washington County Board of Supervisors:

Kenneth O. Reynolds, Chairman