

Washington County Service Authority Board of Commissioners
June 1, 2011 Public Hearing Minutes

The Washington County Service Authority Board of Commissioners' Public Hearing was called to order by the Chairman at 7:01 PM.

ROLL CALL

Commissioners Present:

Mr. Joe Chase, Chairman
Mr. D.L. Stout, Vice Chairman
Mr. Prince Coleman
Mr. Devere Hutchinson
Mr. Dwain Miller
Mr. Frank Stephon, IV
Mr. Kenneth Taylor

Staff Present:

Robbie Cornett, General Manager
Kim Harold, Controller
Amanda Paukovitz, Administrative Assistant

Also Present:

Mrs. Dawn Figueiras, General Counsel
Mr. Dave Hyder, Municipal & Financial Services Group

3. Approval of the Agenda

Mr. Miller moved to approve the agenda. Mr. Miller's motion was seconded by Mr. Hutchinson and was approved by a 7-0-0-0 vote of the Board.

4. Public Hearing

1. Introduction/Open Public Hearing

The Public Hearing was officially opened by the Chairman at 7:02 PM.

2. Presentation Regarding the Need of an Adjustment by Municipal & Financial Services Group

Dave Hyder of Municipal and Financial Services Group made a 16 minute presentation regarding the "Washington County Service Authority Water and Wastewater Rate Study Update". Mr. Hyder presented the study's findings in slides titled: Background, Results of Operations & Revised Financial Forecast, Recommendations and Sample Bill

Impacts. Some of MFSG's conclusions and observations were as follows:

- MFSG has seen a nationwide trend of water usage decline due to water conservation efforts.
- For WCSA, all usage/new connection numbers are on the decline, primarily due to the economic conditions.
- WCSA has seen increases in the cost of chemicals, energy and maintenance supplies.
- Under the current rate plan, WCSA will not generate enough revenue to cover expenses and net revenue requirements.
- Mr. Hyder also noted the last slide of the presentation refers to Commercial/Industrial Customers [which was erroneously listed as Residential].

Mr. Hyder provided MFSG's recommendations and offered to answer any questions the Board may have. Mr. Chase inquired if this is the first time since WCSA adopted the Rate Model that MFSG has suggested additional increases. Mr. Hyder affirmed this, and attributed these needed adjustments primarily to the economy. He explained that if adjustments are not made now, MFSG fears WCSA will not be able to meet their debt coverage requirements for the state. Mr. Chase expressed the Board's appreciation for Mr. Hyder's presentation.

Mr. Cornett thanked Mr. Hyder for MFSG's continued support of WCSA with their Rates, Fees & Charges Model. He appreciates their firsthand knowledge of economic impacts that allows WCSA to do the best it can. Mr. Cornett expressed it is regrettable that the forecasts from two years ago were not as accurate as we would have liked for them to have been. However, he noted we have seen some of our neighboring

Washington County Service Authority Board of Commissioners
June 1, 2011 Public Hearing Minutes

utilities have to make adjustments as well; we see how the impacts can hit home very quickly. Mr. Cornett affirmed we believe the timing is not good to adjust the system fee and try to immediately keep pace with the Board's desire for a cost of growth system fee. WCSA feels that given the current economic conditions, the most appropriate thing to do now is to adjust monthly user fees to compensate for system fees being below where we would like them to be until the economy picks back up.

3. Invitation for all Wishing to Support the Adjustments to Speak With a 5 Minute Limit

There were no individuals present to speak in support of the adjustments.

4. Invitation for all Wishing to Oppose the Adjustments to Speak With a 5 Minute Limit

There were no individuals present to speak in opposition of the adjustments.

5. Close Public Hearing

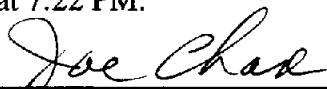
The Public Hearing was officially closed at 7:22 PM.

6. Board Discussion, if Any


There was no further Board discussion.

5. Adjourn

Mr. Taylor made the motion to adjourn the Public Hearing. Mr. Taylor's motion was seconded by Mr. Coleman and was approved by a 7-0-0-0 vote of the Board at 7:22 PM.



Mr. Joe Chase, Chairman


Amanda Paukovitz, Assistant Secretary