

**Washington County Service Authority Board of Commissioners
February 27, 2017 Recessed Meeting Minutes (held March 27, 2017)**

The Recessed Meeting of the Washington County Service Authority Board of Commissioners was held in the Jack S. Cole Conference Room located at 25122 Regal Drive, Abingdon, Virginia. The meeting was called to order by the Chairman at 4:06 pm.

ROLL CALL

Commissioners Present:

Mr. Kenneth Taylor, Chairman
Mr. Mark Nelson, Vice Chairman
Mr. Wayne Campbell
Mr. Jim McCall
Mr. Dwain Miller
Mr. Vernon Smith
Mr. Mike White (arrived at 4:20 pm)

WCSA Officers Present:

Robbie Cornett; Secretary, General Manager
Melinda Jett; Treasurer, Controller
Carol Ann Shaffer; Assistant Secretary, Administrative Assistant

General Counsel Present:

Dawn Figueiras; Elliott, Lawson & Minor

WCSA Staff Present:

Dave Cheek; Operations Manager
Ryan Kiser; Maintenance Manager
Holly Edwards; Customer Service Manager
Mark Osborne, Distribution Manager

3. Approval of the Agenda

Mr. Nelson motioned to approve the Agenda, Mr. Campbell seconded and the Board approved voting 6-0-0-1.

4. 2017-2018 WCSA Budget Workshop

Mr. Cornett and Mrs. Jett presented the attached 2017-2018 Fiscal Year Budget presentation to the Board.

Mrs. Jett was the first to address the Board reviewing departmental capital.

Mr. Nelson encouraged staff to compare the cost and features of Office 365 with cloud based access from anywhere with Office 2016 as an office and or laptop drive solution.

Mr. Cornett will work with Mrs. Ball to make that comparison.

Mr. Smith then asked about the cost to replace the Commissioner Chairs in the Board Room.

Mrs. Shaffer developed a cost comparison to replace or recover the Board chairs and will share that information with Mr. Cornett for the Board.

Mr. White asked staff to add electric windows and door locks to all current and future vehicle procurements.

Mr. Cornett will add electric windows and locks to the Request for Proposals specifications for all existing and for future vehicle procurements.

Mr. Nelson asked how many hours were on the backhoe that is to be replaced.

Mr. Cornett will get that information from Mr. Lester for the Board.

Mr. Nelson requested information on the additional costs related to the intake and that the costs be tracked as either a capital item or an expense.

Mr. Cornett will provide the Board with that information.

Mrs. Jett then reviewed wastewater capital and non-recurring expenses.

Continuing the 2017-2018 Proposed Budget review, Mr. Cornett discussed WCSA's Five Year Capital Improvements Plan.

Mr. Nelson thought it would be interesting to see the total cost of the Mill Creek Project incurred by WCSA compared to the actual cost of the project.

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Mr. Cornett noted Mr. Nelson's request and will revise the budget to show those costs.

Mr. Nelson suggested adding the meter replacement project to the unfunded part of our five year capital improvement plan.

Mr. Cornett will work to update the information.

Continuing the review of the 2017-2018 Proposed Budget, Mr. Cornett discussed compensation and benefits.

In light of the fact overtime hours have stayed consistent, Mr. Nelson thought it would be reasonable to reduce the overtime budget from \$380,000 to \$310,000.

Mr. Cornett offered to take a closer look at the amount budgeted for overtime before the April meeting.

Mr. Nelson said projected revenue is about \$660,000 above the current year's budget. WCSA also spent about \$3 million less than budgeted in expenses.

If these numbers hold true, Mr. Nelson would like the Board to think about how they would like to utilize those funds.

In response to Mr. Cornett's recommendation to resend the wastewater rate increase, Mr. Nelson asked for figures showing how that would affect the rate plan.

Mr. Cornett will work with Mrs. Jett to get those figures.

Mr. Nelson asked what the real impact to WCSA would be if we reach the established reserve targets prior to fiscal year end 2019. Nelson said it was hard for him to agree to a rate increase unless the Board has a plan to use that money on their behalf.

Mr. Miller encouraged staff to developing a plan now and be ready to utilize excess funds if WCSA reaches its established reserve targets prior to fiscal year end 2019. Mr. Nelson agreed.

Mr. Cornett suggested holding a workshop, as part of the planning effort, to analyze WCSA's position in regards to reserves and other funds that may be available and decide how to invest those funds.

Mr. Cornett will work with staff to develop a plan to utilize funds if and when they become available.

Mrs. Jett then discussed departmental expenses.

Mr. McCall suggested a raise for the Commissioners.

Mr. Smith asked when the Board of Commissioner last received a pay increase.

It has been a number of years, said Mr. Cornett.

Mr. Smith recommended the Board submit a request to the Board of Supervisors for a pay increase.

Mr. Taylor and Mr. Smith asked Mr. Cornett find the date of the last Commissioners pay increase.

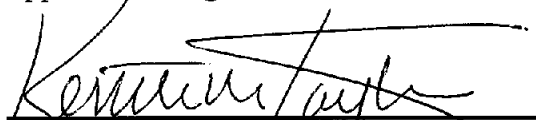
Mr. Cornett will provide that information to the Board.


Mr. Nelson asked for figures showing the effect resending the water rate increase would have on the budget.

Mr. Cornett will work with staff to develop a summary showing the increase and decrease in reserves for review at the April meeting.

5. Adjourn – 5:55 pm

Mr. Campbell made a motion to adjourn. Mr. Smith seconded and the Board approved voting 7-0-0-0.


Mr. Ken Taylor, Chairman


Carol Ann Shaffer, Assistant Secretary