

Washington County Service Authority Board of Commissioners
June 25, 2018 Regular Meeting Minutes

1. Call the Meeting to Order - Chairman

The Regular Meeting of the Washington County Service Authority Board of Commissioners, held in the E. W. Potts, Jr. Board Room located at 25122 Regal Drive, Abingdon, Virginia, was called to order by the Chairman at 6:01 pm.

2. Roll Call - Vice Chairman

Commissioners Present:

Mr. Mike White, Chairman
Mr. Jim McCall, Vice Chairman
Mr. Wayne Campbell
Mr. Dwain Miller
Mr. Tim Orfield
Mr. Vernon Smith
Mr. Kenneth Taylor

WCSA Officers Present:

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

General Counsel Present:

Thomas Dene, Esq.; Dene & Dene, P.C.

Consultants Present:

Dennis Amos, PE; Hurt & Proffitt, Inc.
Bobby Lane, PE; The Lane Group, Inc.
Kevin Heath, PE; The Lane Group, Inc.

WCSA Staff Present:

Dave Cheek PE; Operations Manager
Holly Edwards; Customer Service
Ryan Kiser, PE; Engineering Manager
Karen Lester; Staff Accountant
Mark Osborne, PE; Distribution Manager
Ken Perrigan; Meter Manager
Sheila Poston; Staff Accountant
Nancy White; Customer Service
Representative

**3. Prayer and Pledge of Allegiance –
Wayne Campbell**

Mr. Campbell opened the meeting in prayer and led the Pledge of Allegiance.

4. Approval of the Agenda - Chairman

Mr. Cornett recommended striking Agenda Items 13, 14, 15, 18 and 22. Mr. Taylor motioned to approve the Agenda striking items 13, 14, 15, 18 and 22 as recommended. Mr. Campbell seconded and the Board approved voting 7-0-0-0.

**5. Public Query and Comment -
Chairman**

There was no public query or comment.

**6. Approval of the Consent Agenda with
Exceptions - Vice Chairman**

A. Approval of Minutes:

- April 23, 2018 Regular Meeting Minutes
- April 23, 2018 Recessed Meeting (held May 21, 2018)
- May 21, 2018 Regular Meeting Minutes

B. Routine Reports: May 2018

- Water Production
- Water Distribution
- Meter Department
- Wastewater Operations
- Customer Service
- Maintenance
- Engineering
- Accounting
- Health & Safety Report

C. Financial Reports: May 2018

- Balance Sheet
- Income Statement
- Check Register / General Manager Financial Report
Except for Checks 040791, 040809, 040874, and 040929

D. Consideration of Amendment No. 3 to the Hurt & Proffitt General Engineering Services Agreement - *Ryan Kiser*

E. Consideration of Amendment No. 3 to the WCSA The Lane Group General Engineering Services Agreement - *Ryan Kiser*

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F. Consideration of Amendment No. 3 to the WCSA The Lane Group General Surveying Services Agreement - *Ryan Kiser*

G. Consideration of Amendment No. 1 to the Lee Highway Corridor Sewer Project Engineering Agreement Between WCSA and The Lane Group for Completion of the PER - *Ryan Kiser*

H. Consideration of Task Order 1 to the General Engineering Services Agreement Between WCSA and Hurt & Proffitt for Formulation of Preliminary Engineering Report and Environmental Review for the Mendota and Mary's Chapel Road Water Line Extension Projects and Permission to Apply for Rural Development Funding - *Ryan Kiser*

I. Consideration of Task Order 2017-12 to the General Engineering Services Agreement between WCSA and The Lane Group for Engineering Assistance with the Smyth Chapel Road Water Improvements Project - *Ryan Kiser*

Mr. Miller motioned to approve the Consent Agenda. Mr. Campbell seconded and the motion carried with a unanimous vote.

7. Consideration of Check Numbers 040791 to Food City and 040809 to Misty Mountain Spring Water Company – Chairman

Mr. Orfield noted he is an employee of Mid-Mountain Foods Inc., and would therefore be abstaining from discussions or voting on this agenda item.

Mr. McCall made a motion to approve the checks as listed, Mr. Taylor seconded and the Board approved voting 6-0-1-0 with Mr. Orfield abstaining.

8. Consideration of Check Number 040874 to King General Contractors – Chairman

Mr. McCall abstained from any discussion or voting on Item 8 as he is employed by King General Contractors.

Mr. Campbell motioned to approve check number 040874. Mr. Orfield seconded and the Board approved with a 6-0-1-0 vote. Mr. McCall abstained.

9. Consideration of Check Number 040929 to W&L Construction and Paving, Inc. - Chairman

As an employee of W & L Construction, Mr. Taylor abstained from discussions or voting on this item.

Mr. Campbell motioned to approve check number 040929. Mr. Miller seconded and voting 6-0-1-0, the Board approved. Mr. Taylor abstained.

10. Rate, Fee and Charge Public Hearing - Chairman

The Chairman announced the purpose of the public hearing is to consider “preliminarily adopted changes to WCSA Rates, Fees and Charges.”

The Chairman “opened” the public hearing and asked Robbie Cornett to make a brief presentation on the subject. Mr. Cornett made a brief presentation.

The Chairman asked if there was anyone present to speak “in favor” of the proposed change. No one spoke.

The Chairman then asked if anyone was present to speak in “opposition to” the proposed change. No one opposed.

At that time, the Chairman “closed” the public hearing.

The Chairman then opened the topic for Board discussion and asked what the Board’s pleasure was on the matter.

Mr. McCall motioned as recommended by staff to cancel the previously approved wastewater rate increase and continue with the current rate. Mr. Miller seconded and the Board unanimously approved the rate increase.

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11. Consideration of WCSA Compensation and Benefit Survey – *Bill Ford, SESCO Management Consultants.*

An outline of the presentation Mr. Ford discussed is attached.

12. Legal Counsel Report and Update – *Thomas Dene*

Mr. Dene gave updates on Sugar Cove Road and Columbus McKinnon. He also presented the Board with a draft rules on public query and comment for their review and comment.

13. Water and Wastewater Construction Projects Update – *Ryan Kiser*

This item was stricken from the Agenda.

14. Operations Manager's Report and Update – *Dave Cheek*

This item was stricken from the Agenda.

15. General Manager's Report and Update – *Robbie Cornett*

This item was stricken from the Agenda.

16. Engineer's Report & Update

The Lane Group – *Bobby Lane*

- Mill Creek Water System Improvements

The Lane Group – *Kevin Heath*

- Route 58 Water Supply Improvements Project
- Abingdon Tank Improvements Project

Hurt & Proffitt – *Dennis Amos*

- Exit 13 Phase 3 Sewer Design

17. Consideration of Virginia Water and Wastewater Agency Response Network - *Robbie Cornett*

After a reviewing the VA WARN Mr. Cornett recommended the Board consider approving of the resolution authorizing execution of the Virginia Water and

Wastewater Agency Response Network, Mutual Aid Agreement.

Mr. Taylor motioned to approve the resolution, Mr. Orfield seconded and the Motion carried with a 7-0-0-0 vote. The executed Resolution is attached

18. Consideration of Administrative Office Cleaning Bids - *Holly Edwards*

This item was stricken from the Agenda.

19. Consideration of Virginia Municipal League Insurance Programs Insurance Renewal for Fiscal Year 2019 - *Melinda Jett*

Mrs. Jett recommended the Board approve the renewal of the VMLIP insurance policy at a total cost of \$132,074.

Mr. Campbell motioned to approve the renewal of the VMLIP insurance policy as presented. Mr. McCall seconded and the motion carried with a unanimous vote.

20. Consider Authorizing Staff to Proceed with Procurement of a 5-Year Rate, Fee and Charge Study, Financial Plan and Strategic Plan - *Melinda Jett*

Mrs. Jett recommended the Board favorably consider authorizing staff to proceed with procurement of a firm to assist WCSA with development of a 5-year rate, fee and charge study, financial plan and strategic plan.

Mr. Miller motioned to approve the recommendation for procurement, Mr. Taylor seconded and the Board approved voting 7-0-0-0.

21. Consideration of the Proposed 2018-2019 Fiscal Year Budget - *Melinda Jett*

Mrs. Jett kindly recommended the Board favorably consider the proposed 2018-2019 budget with the below noted changes:

1. Changed the copier from an \$18,000 purchase in departmental capital to a lease under non-departmental at \$3,400/year.

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2. Compensation and benefits as follows:
 - a. Cross Control Director (1) – Moved from Pay Band V to Pay Band III.
 - b. Controller (1) – Moved from Pay Band II to Pay Band I.
 - c. Payroll/HR Specialist (1) – Moved from Pay Band V to Pay Band IV.
 - d. Staff Accountant (1) – Moved from Pay Band V to Pay Band IV.
 - e. Administrative Assistants (2) – Moved from Pay Band VII to Pay Band VI.
 - f. The process for moving each person into the new pay band based on current rate % to current target; apply % to new pay band target and determined new rate which in total increases compensation by \$55,701.22.
 - g. Maintain current pay schedule and continue cost of living adjustment (2.23% for 18-19 fiscal year).
 - h. \$20,842 budgeted for annual performance evaluation merit adjustments.
 - i. Continue to shop health insurance plans annually.
 - j. Continue employee benefit coverage at 100%.
 - k. At your August 27, 2018 Meeting, evaluate and consider:
 - i. Appropriate change / reduction if any to the dependent premium from 90% to 80% over time (maybe 5%/year over two years as previously adopted by the Board) OR grandfather current employees at 90% with new hires covered at 80% OR maintain 90%.
 - ii. Whether to discontinue practice of counting “vacation” leave as time worked thereby reducing overtime.
 - iii. Further investigate and if warranted, consider moving Resident Project Representatives

(3) – from Pay Band VI to Pay Band IV.

3. Replacement of a server for \$10,000 in non-departmental due to age and inefficiency.
4. \$3,000 for rewiring at the Hall Creek Wastewater Plant.
5. Add \$5,200 to the Hall Creek and Damascus Wastewater expense budget in order to compensate wastewater employees for being on call each week which would mirror how maintenance employees are currently compensated for being on-call each week.
6. Move \$69,000 from 2018 to 2019 budget to purchase a trailer and mini excavator.

Mr. Taylor made a motion to approve the proposed 2018-2019 budget as listed above excluding items 2a, 2b, 2c, 2d, 2e and 2f. The Board requested additional information; current pay band, current and proposed pay rates; before considering items 2a through 2f at the July regular meeting. And, additional investigation of RPR job descriptions is required before a possible pay band adjustment is considered. Mr. Campbell seconded and the Board approved with a 7-0-0-0 vote.

Mr. Smith motioned to approve item k. ii. and discontinue the practice of counting “vacation” leave as time worked in order to reduce overtime. Mr. Miller seconded and the Board approved with a unanimous vote.

22. Consideration of Mini Excavator Purchase - Johnny Lester

This item was stricken from the Agenda.

23. Closed Meeting –7:46 pm

Mr. Campbell moved that Board of Commissioners of the WCSA adjourn to Closed Meeting in accordance with the Virginia Freedom of Information Act, Code of Virginia Section 2.2-3711 Paragraph (A) (1): Personnel

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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 by Mr. Miller, Mr. Campbell, Mr. Taylor, Mr. White, Mr. McCall, Mr. Orfield and Mr. Smith confirming no outside discussion took place other than Closed Meeting topics.

25. Late Items

Mr. Campbell motioned to approve a 1% performance increase, a 2.23% COIA increase, and \$2,000 bonus for Robbie Cornett and to extend his contract for one additional year. Further, the Board proposed to amend the contract so that the COLA adjustment is optional. Mr. Taylor seconded and the motion carried with a unanimous Board vote.

Mr. Miller expressed his appreciation to Robbie for his service. Mr. Taylor and Mr. Campbell echoed Mr. Miller's comments.

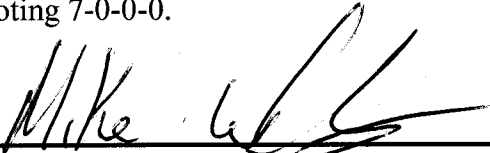
Mr. Smith made a motion to extend Mr. Thomas Dene's contract one year from date of expiration on July 23rd. Mr. McCall seconded and the Board approved voting 7-0-0-0.

Mr. Taylor expressed his appreciation to Mr. Dene for his service.


Mr. Smith asked that Mr. Cornett draft and mail a letter to the Board of Supervisors members asking their reconsideration of the Board of Commissioners request for a \$50 per committee meeting per committee member previously tabled by the Board of Supervisors in 2017. The Board agreed. Mr. Cornett will draft and mail the letter to the members of the Board of Supervisors and the Board of Commissioners.

26. Adjourn – 10:24 pm

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



Mr. Mike White, Chairman



Carol Ann Shaffer, Assistant Secretary

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1. To discuss and consider the performance of a specific appointee/employee of Washington County Service Authority.

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

2. 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 WCSA, specifically involving the case of Washington County Service Authority v. Bundy, currently pending in the Circuit Court of Washington County, Virginia.

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

3. Consultation with legal counsel and briefings by staff members or consultants pertaining to probable litigation that has been specifically threatened or which the WCSA or its legal counsel has a reasonable basis to believe will be commenced by a known party, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the public body.

Code of Virginia Section 2.2-3711 Paragraph (A) (5): Acquisition of Real Property

4. Discussion or consideration of the acquisition of real property for a public purpose, or of the disposition of publically held property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy to the public body.

Paragraph (A) (29): Contracts

5. To discuss the award of a public contract 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 Washington County Service Authority, specifically involving the terms, scope and possible extension of a contract for cell tower marketing.

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

6. To discuss the award of a public contract 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 Washington County Service Authority, specifically involving the possible extension of a contract for legal services.

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

Mr. Taylor seconded and the Board approved voting 7-0-0-0.

24. Return to Public Meeting – 10:15 pm

Mr. Campbell made a motion to return to Public Session, Mr. Taylor seconded and the Board approved with a unanimous vote.

Mr. Campbell then read the following Certification of Closed Meeting:

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 Committee of Board of Commissioners of the Washington County Service Authority hereby certifies that to the best of each member's knowledge, (1) only public

1  **Request for Proposal Outline**

Market Analysis – Compensation and Health Insurance Survey
Job Analysis
Recommendations based on Survey and Job Analysis
Communication/Updates

2  **Compensation Philosophy**

- Competitive to market (survey)
- Ensure positions are assigned to appropriate pay bands (Job Evaluation)
- Ensure merging of staff into new pay bands is equitable

3  **Project Flowchart**

4  **Wage/Health Insurance Survey Report**

- Number of Respondents
- Average Number of Employees Supervised
- Average Tenure
- Average Number of Employees in this Position
- Average Current Base Salary or Hourly Rate
- Pay Range Averages

Note: Based on anomalies, not all survey data was used as reported.

5  **Organizations Who Participated**

- Albemarle County Service Authority
- Amherst County Water Authority
- Augusta County Service Authority
- Bedford Regional Water Authority
- Campbell County Utilities and Service Authority
- County of Pulaski
- Fairfax Water
- Halifax County Service Authority
- Harrisonburg-Rockingham Regional Sewer Authority
- Henry County Public Service Authority
- Louisa County Water Authority
- Maury Service Authority

6  **Organizations Who Participated**

- Montgomery County PSA
- NRV Regional Water Authority
- Pepper's Ferry Wastewater Authority
- Pittsylvania County Service Authority
- Rivanna Water and Sewer Authority
- Scott County Public Service Authority
- Smyth County
- South Central Wastewater Authority
- Town of Abingdon
- Washington County Service Authority
- Western Virginia Water Authority

- Wise County PSA

7  **Survey Reporting – COLI Adjustments**

- Midpoints of ranges submitted were adjusted by the Cost of Living Index (current statistics) by city – U.S. Census
- Abingdon’s COLI is .92 to 100
- All midpoints as reported were adjusted to .92
- Some midpoints increased and some were decreased

8  **Turnover Rates**

9  **Health Insurance Study**

HEALTH INSURANCE

- Provided: Yes – 24 (96%) No – 1 (4%)
 - Average % Paid by Organization for Employee.....94%
Washington County Service Authority – 100%
 - Average % Paid by Organization for Dependents.....67%
Washington County Service Authority – 90%
- Market employee premium: Seven (7) other employers provide 100%. Market dependent premium: One (1) employer pays 91% another pays 88% and another 80%.

10  **Health Insurance Study**








- Average Monthly Dollar Amount Paid by Company Divided by 94% (Survey Average) Times 100% (WCSA Amount) for Employee.....\$716.31
 - Average Monthly Dollar Amount by Company.....\$673.33
Washington County Service Authority Actual – \$679.69
 - * Average Monthly Dollar Amount Paid by Company Divided by 67% (Survey Average) Times 90% (WCSA Amount) for Dependents.....\$1,733.35
 - *Average Monthly Dollar Amount Paid by Company.....\$1,290.38
Washington County Service Authority Average – \$1,401.24
- *Survey did not identify how many dependents were covered at their respective rates.

11  **Health Insurance Study**

- Average Annual Deductible Single.....\$885.00
Washington County Service Authority – \$250.00
- Average Annual Deductible Family.....\$1,692.00
Washington County Service Authority – \$500.00

12  **Health Insurance Recommendation**

- Continue to “shop” plans annually
 - Consider reduction of % paid for dependents
 - Target 80%
- Options:
- Grandfather current employees
 - Slowly reduce over time
 - Consider overall costs and affordability and impact to employee morale and recruiting/ retention

- 13  **Results of Wage Survey Analysis**
- WCSA current bands (target/midpoint rates) competitive to survey midpoints
 - WCSA continue to adjust pay bands by COLA
 - Conduct future wage/benefit surveys to challenge practices
- 14  **Job Evaluation Factors**
- 15  **Example Evaluation Points**
- 16  **Results of Job Evaluation/Wage Study**
- Positions to be moved in pay bands
 - Cross Control Director – Moved from Pay Band V to Pay Band III.
 - Controller – Moved from Pay Band II to Pay Band I.
 - Payroll/HR Specialist – Moved from Pay Band V to Pay Band IV.
 - Staff Accountant – Moved from Pay Band V to Pay Band IV.
 - Administrative Assistants – Moved from Pay Band VII to Pay Band VI.
 - Other: Research and re-evaluate RPR position descriptions and responsibilities compared with other utilities in the survey. Address at a later date if changes are warranted.
 - If approved, positions moved to new pay bands will be merged into new pay band based on current rate % to current target
 - Applied % to new pay band target and determined new rate
- 17  **Example**
- Current Rate % to Current Target
 - John Doe
 - $22.14 \text{ (Current Rate)} \div 19.84 \text{ (Current Target)} = 111.59\%$
- 18  **Example**
- Applied % to Current Target to New Pay Band Target
 - John Doe
 - $111.59\% \text{ (% to Target)} \times 20.37 \text{ (New Target)} = 22.73 \text{ (New Rate)}$
 - Cost of those positions as placed in new pay bands:
 - \$55,701.22 – one-time market adjustment
 - If approved, all pay bands will receive a COLA adjustment of 2.23%.
- 19  **Vacation used as Time Worked**
- Wage-Hour regulations do not require:
 - Political subdivisions to pay overtime worked – only comp time.
 - Overtime is only paid on actual hours worked over 40.
 - WCSA's policy is very unusual and also costly. SESCO would suggest an internal review of this policy.

WASHINGTON COUNTY SERVICE AUTHORITY
RESOLUTION AUTHORIZING EXECUTION OF THE
VIRGINIA WATER AND WASTEWATER AGENCY
RESPONSE NETWORK MUTUAL AID AGREEMENT

WHEREAS, the National Infrastructure Protection Plan and in particular the Sector Specific Plan for the Water Sector developed by the United States Environmental Protection Agency identifies the development of a Water and Wastewater Agency Response Network in each State as an important means of helping to ensure resilient water and wastewater infrastructure in the public interest; and

WHEREAS, in furtherance of such national Water Sector plan, Virginia's longstanding, nationally-recognized professional associations known as the Virginia Section of the American Water Works Association ("VA AWWA") and the Virginia Water Environment Association ("VWEA") have jointly formed the Virginia Water and Wastewater Agency Response Network ("VA WARN") Committee to develop the EPA-recommended network and associated procedures for implementation in Virginia; and

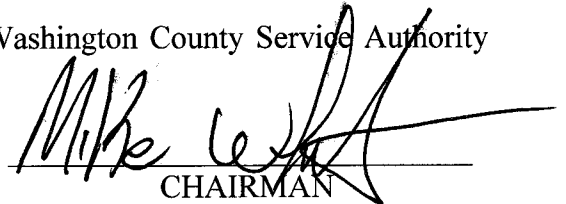
WHEREAS, the VA WARN Committee has developed the attached form of a VA WARN Mutual Aid Agreement for use by public and private Water Sector utilities for purposes of requesting assistance and responding to such requests as well as a related form of an Event Agreement for providing assistance of a defined scope on defined terms and conditions; and

WHEREAS, this VA WARN Mutual Aid Agreement is intended to supplement and integrate with the Statewide Mutual Aid Program administered by the Virginia Department of Emergency Management, with the Emergency Management Assistance Compact, and with other mutual aid agreements of local, intrastate and interstate scope; and

WHEREAS, the Washington County Service Authority owns and operates water and wastewater facilities and is responsible for public water supply and wastewater management in the Commonwealth of Virginia, and is therefore eligible to participate in VA WARN and the VA WARN Mutual Aid Agreement.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Washington County Service Authority, that the General Manager is hereby authorized to execute the VA WARN Mutual Aid Agreement, which is hereby approved.

Adopted by the Board of Commissioners of the Washington County Service Authority this 25th day of June, 2018.


CHAIRMAN

ATTEST:


SECRETARY