

**Washington County Service Authority Board of Commissioners**  
**July 22, 2013 Recessed Meeting Minutes (Held on August 29, 2013; 6:00 PM)**

The recessed meeting of the Washington County Service Authority Board of Commissioners was called to order by the Vice Chairman at 6:01 pm.

**ROLL CALL**

Commissioners Present:

Mr. Joe Chase, Chairman  
Mr. Ken Taylor, Vice Chairman  
Mr. Devere Hutchinson  
Mr. Jim McCall  
Mr. Dwain Miller  
Mr. Frank Stephon, IV

Commissioners Absent:

Mr. Mark Nelson

WCSA Staff Present:

Robbie Cornett, General Manager  
Kimberly Harold, Controller  
Carol Ann Shaffer, Administrative Assistant

Consultants Present:

Douglas Bean, Director of Government Services, Raftelis Financial Services  
Bart Kreps, Manager, Raftelis Financial Services  
Catherine Noyes, Consultant, Raftelis Financial Services

Also Present:

Mr. Mark Lawson, General Counsel

**3. Approval of the Agenda**

There were no corrections or additions to the Agenda. Mr. Stephon motioned to approve the Agenda. The motion was seconded by Mr. Miller and approved by a Board vote of 6-0-0-1.

**4. Raftelis Financial Consultants Introduction *Robbie Cornett***

Mr. Cornett welcomed the Raftelis Financial Consultants as they assist the

Board with the very important task of water and sewer rates for the Authority. Raftelis provides financial, rate, and management consulting services for water, wastewater, and storm water utilities across the U.S. and abroad.

Though Raftelis had stiff competition, I believe the WCSA Rate Study procurement team that included Mr. Taylor, Mr. Hutchinson, Mrs. Harold and I picked the best team to meet WCSA's needs, stated Mr. Cornett.

After leaving his position as Director of Ernst & Young's National Environmental Consulting Practice, George Raftelis founded RFC in Charlotte, NC. In 1996 Raftelis began production of an annual rate, financial and demographic survey for over 200 water utilities. The survey is still conducted today and as of 2003 is co-published by AWWA, said Mr. Cornett.

In 2005, George Raftelis, with input from a number of Raftelis consultants, authors the 3'd Edition of his book *Water and Wastewater Finance and Pricing: A Comprehensive Guide*. This book has become an industry standard in the field of utility rate setting and is used as a college textbook in courses on environmental finance. Mr. Cornett continued saying, in 2011, Mr. Raftelis and his staff, began work on the 4<sup>th</sup> Edition of his book.

Raftelis Financial staff is active in associations such as AWWA and WEF at both the national and state level, and serve on committee's that specifically address financial, rate, and management issues facing the water and wastewater industry.

Mr. Cornett then began his introduction of the Raftelis consultants saying, with us tonight is Bart Kreps. Mr. Kreps has been with Raftelis since 2002 managing a variety of projects to assist water,

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wastewater, and stormwater utilities in addressing economic and financial issues. His broad-based experience includes projects such as bond forecast and feasibility studies, economic impact studies, wholesale rate studies, utility regionalization studies, litigation support, privatization evaluation and procurement, and system development fee studies. Mr. Kreps has also served on cost of service and rate and financial planning studies and has extensive experience in financial forecasting and modeling. Mr. Kreps' background is focused predominantly in public finance. He has assisted many utilities in designing optimal capital financing plans and has developed numerous financial feasibility reports and forecasts related to more than \$500 million in revenue bond sales. He is co-chair of the Virginia AWWA/WEA Utility Management Subcommittee on Financial Management. He has a Bachelor of Business Administration from James Madison University and a Masters of Business Administration from the University of Tennessee.

Also with the Raftelis team, said Mr. Cornett, is Doug Bean. Mr. Bean joined Raftelis in 2010 after more than 35 years of management experience with public utilities and local government. Prior to joining Raftelis, Mr. Bean served as Director of Charlotte - Mecklenburg Utilities for 16 years. His service in this position was marked by implementation of a major capital improvements program, financial modeling that led to AAA credit ratings from rating agencies, technology advancements that improved efficiency, implementation of sustainable strategies in buildings and operations, and championing employee involvement and mentoring throughout the organization. He has also served as

City Manager in two cities that provided a full range of public services including water, sewer, electricity, and storm water. He is also a frequent lecturer at professional associations and academic institutions. Mr. Bean has been an avid promoter of the value of public service and the ability of public organizations to operate using state of the art business practices. Mr. Bean has a Masters of Public Administration from the University of North Carolina at Chapel Hill.

Also, we welcome Catherine Noyes, said Mr. Cornett. Ms. Noyes joined Raftelis in 2011, having just completed a Master's in Environmental Management at Duke University. Since starting at the firm, she has participated in numerous financial and management water, wastewater and stormwater studies. Her experience has focused specifically on strategic planning, organizational assessments, rate studies, benchmarking, utility regionalization studies, and litigation support. Prior to working at Raftelis, Ms. Noyes was a senior fellow at the Institute for Sustainable Development.

#### **5. Rate, Fee and Charge Workshop Raftelis Financial Services**

Mr. Kreps thanked the Board for the opportunity to work with them on this Rate Study. Mr. Kreps said the primary point of the workshop was a pricing objectives exercise where pricing objectives would be identified and prioritized. This will tell us what is important to the Authority in terms of how we price for water and wastewater services, said, Mr. Kreps.

Mr. Kreps began his presentation to the Board.

He first reviewed the Agenda:

- Workshop Overview

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- Rates 101
- Pricing Objectives
- Exercise
- Break
- Results
- Advisory Council

Mr. Kreps discussed Rate Study Objectives saying, the purpose of the Rate Study is to facilitate the development of rates and charges that most optimally satisfy the objectives of the utility and its customers. What that means, said Mr. Kreps, is rates need to be reasonable.

A rate structure should be designed to be consistent with industry practices, said Mr. Kreps. This rate study will follow the AWWA Manual M-1 Principals of Rates, Fees and Charges and the Comprehensive Guide to Water and Wastewater Finance and Pricing.

Mr. Kreps then reviewed five steps for the Rate Setting Process:

- Step 1. Identify Financial and Pricing Objectives .

Mr. Kreps reviewed the following items to consider when identifying financial and pricing objectives.

- Financial Sufficiency
- Rate Stability
- Revenue Stability
- Cost-of-Service Based Allocations
- Ease of Implementation
- Economic Development Minimal Customer Impact
- Affordability
- Water Efficiency or Conservation
- Customer Understanding

- Step 2. Identifying Revenue Requirements and Demand Projections

Mr. Kreps discussed the steps for developing a financial plan for the Authority:

- Prepare Strategic Financial Plan and Vision:
  - Determine Capital Improvements Plan,
  - Develop Capital Financing Plan,
  - Identify Capital Costs Recovered through Rates.
- Identify Operating and Maintenance Costs.
- Determine Revenue Requirements.
  - 2014 O&M Budget
  - 2014 Capital Costs
  - 2014 Transfers to Resources
- Identify Debt Services

- Step 3. Allocate Costs
  - Cost of service concept,
  - Allocate costs to functional and cost components,
  - Classes of customers,
  - Units of service.
- Step 4. Rate Structure Design. This process aligns rates and charges with pricing objectives. The pricing objectives are:
  - Revenue Stability,
  - Cost of Service,
  - Affordability.

Mr. Kreps reviewed the following items that should be considered when designing a Rate Structure:

- Fixed Charges versus variable charges,
- Traditional versus conservation rate designs,
- Rate structure evolution,
- Current rate structure.

The two primary charge types was the next item Mr. Kreps discussed. The two Primary Charge Types are:

- Fixed Charges:
  - Invariant with customer water usage,

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- Cost of service fixed charges reflect customer related costs,
- Fixed charges may include portion of capital costs.
- Variable Charges:
  - Vary with amount of water used,
  - Recover utility costs that vary with customer usage patterns.

The Rate Structure Evolution was the next item of discussion. The evolution of the Rate Structure began with flat rates then uniform rates. Seasonal and inclining rates were next, followed by Individual rates. As the evolution of the rate structure progresses, so does the conservation message explained Mr. Kreps.

Mr. Kreps then reviewed the following critical issues in Rate Design:

- Understanding of pricing objectives,
- Billing system capabilities,
- Data needs,
- Awareness of rate design implications,
- Understanding impact on WCSA'S diverse customer base.

The pricing objective exercise will provide a foundation to develop conceptual designs for alternative water rate structures that address as many of the WCSA's pricing objectives a possible, explained Mr. Kreps.

Those participating in the exercise (Board members) will discuss the relevance of each objective and prioritize the objectives that they believe are the most important.

Mr. Kreps discussed two foundational pricing objectives:

- Financial Stability:
  - Manage WCSA like a business where revenues support expenses,

- Rates should be set to recover the "full cost" of WCSA operations and capital projects.
- Defensibility:
  - Consistent with accepted practice and industry standards
  - Consistent with local and state statutes, contractual obligations etc.
  - Minimize potential for litigation
  - Consistent with bond covenants.

Next, the Authority should consider how to weigh Pricing Objectives such as:

- Affordability
  - Economically disadvantaged customers should be able to afford the essential services provided by the Authority,
  - The Authority should understand the cost of affordability programs.
- Conservation/Demand Management
  - Shift demand to desired periods of the day, month or year for conservation,
  - May target specific customer classes,
  - Targets discretionary use.

Mr. Hutchinson said WCSA had a larger demand on residential than industrial. We do not have any industry here that consumes a great deal of water.

Mr. Kreps said some industries may have processes where they have less control over the amount of water they use. Normally it is easier for residential customers to cut back on water usage.

- Cost of Service Based Allocations
  - Recovery of costs from customers and customers classes in proportion to cost of providing service,
  - Customers are more willing to accept their fair share of costs,
  - "Level of Equity" tradeoff.

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- Ease of Implementation
  - Minimal impact on customer service staff,
  - Compatible with billing software,
  - Based on readily available data?

Mr. Miller said the more simple the rate structure, the easier it would be for staff to understand and implement.

Mr. Cornett said, a simpler rate structure would also be easier for customers to understand.

- Economic Development
  - Sewer service as incentive for economic development,
  - Comparability with neighboring utilities,
  - Potential legal and political risks.

Mr. Cornett said Mr. Nelson asked that when we do comparisons at this point, that we compare with like utilities, with our peers.

Mr. Miller said Washington County was trying to bring in industry and thought we should have a model in order to be competitive with pricing.

Mr. Chase agreed that WCSA needed to be competitive, but was concerned that some neighboring utilities may not know what their actual costs were. In competing against a utility that doesn't know what their costs are, it may make us look bad, he stated.

Mr. Kreps said it could be quite a different scenario when looking at utilities in other regions and was something to consider.

Being competitive in the utility market doesn't necessarily mean you will attract or win industries, said Mr. Hutchinson. We have been made aware that we are losing a large industry to a neighboring county and I am quite sure it has nothing to do with utilities, he stated.

Mr. Kreps said there weren't as many big water using industries as there used to be; like the textile industry.

Mr. Taylor said it would be difficult to compare neighboring counties such as Buchanan, Wise, Dickenson, Scott, Tazewell and Russell, because they have a tax that is driven from the coal companies for water and sewer; where money is given to them like a block grant. We have to know our costs, income and expenses before we can bill our customers, said Mr. Taylor. Not all utilities bill or finance the same so there is a lot to consider, said Mr. Taylor.

Mr. Kreps said you have to be careful to compare apples to apples when comparing different utilities.

- Equitable Contributions from New Customers
  - Implement system development, or capacity or charges,
  - Ensure that growth pays for growth,
  - Promote intergenerational equity.

Mr. Chase said his opinion was growth should pay at least a portion of growth. I am sure it will not pay 100% but it should pay a certain percentage, he stated. Mr. Chase hopes this study will show what WCSA's actual costs are so costs may be allocated accordingly.

Mr. Chase commented that when you start raising water bills, at some point, everyone will notice. Not just those who have financial troubles but everyone. Mr. Chase said you have to consider everyone; developers, residence, etc. and cannot focus on one group when developing a rate structure.

Mr. Hutchinson said what we do must be justified, fair and reasonable across the board for all classes; whether it be low income or higher income residential, small business or large industry.

- Minimization of Customer Impact
  - Avoid large cost increases,
  - Minimize customer service implications,

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- Phase in larger impacts, if necessary.

Mr. Miller said he felt phasing in a cost increase was a much better approach. No one likes to see a large increase in anything because they can't budget for it that, he stated.

Mr. Chase agreed with Mr. Miller.

Mr. Hutchinson agreed as well saying, phasing in increases in small increments over an extended period of time to reach a goal will lessen the impact on customers.

- Rate Stability,
  - Maintain smooth program of rate adjustments,
  - Avoid volatile swings in rates.
- Revenue Stability
  - Ensure revenues are predictable and stable
  - Ensure cash flows match with expenditures, creating a stable revenue stream.
- Simple to Understand and Update
  - Promote easy communication with customers and elected officials,
  - Minimize Impact on customer service staff,
  - Rates can be updated without extensive study and analysis,
  - Consideration of data needs for rate update.

Mr. McCall prefers the third item; rates can be updated without extensive study and analysis.

Mr. Chase likes the first item; to promote easy communication with customers and elected officials.

Mr. McCall felt the Board of Supervisors should support their elected WCSA Board member in their decisions and not tell them what to do. The Board of Supervisors should talk to their Board representative and make suggestions. For four years, we are representing a

particular District and county on this Board, stated Mr. McCall, and it needs to be understood that the Board of Supervisors elected each one of the WCSA Board members. Mr. McCall said the final vote is ours (WCSA Board), not that of the Board of Supervisors. "That's the ones we don't need bickering. I will tell them; it is no big secret; we don't need them bickering behind our backs: stated Mr. McCall. He continues saying, if they have something to say, say it to us individually or stand right here and say it.

Mr. Kreps said one thing to consider is that some of these objectives compete with each other, such as revenue stability versus conservation management; how to have a fixed charge and grow conservation. Affordability may compete with revenue stability, he added.

Mr. Bean then gave an example of why pricing objectives are so important.

Morganton, NC is a small town that had two users; a chicken processing plant and a dye house. Mr. Bean said of there was a hiccup in one of those two facilities, it hurt! He said, they were the two big monster users, and if they went up or down it meant the world to the utility. The utilities rates reflected the importance of those two industries.

He then discussed Asheville, NC saying there was a pristine water source and everyone wanted to get water from that source only. We had to preserve that source. Their rate structure was all about conservation to preserve the lake, stated Mr. Bean.

Mr. Bean then discussed Charlotte, NC saying they had no conservation program because they focused on growing the community. In Charlotte, the emphasis was all about growing,

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working with developers and adding lines; so their rates reflected that, he stated.

Mr. Bean said these were three different areas, with different economies and three totally different pricing objectives that drove their rate structures.

Mr. Bean said this exercise needs to reflect what the Board feels is most important, because it will drive the rate structure over the next five years.

Mr. Kreps then reviewed definitions for each pricing objective the Board would consider and rank in their exercise.

- **Pricing Objectives:** The rate structure should incorporate practices or procedures that help ensure that economically disadvantaged customers can afford service.
- **Conservation/Demand Management:** The rate structure should encourage conservation as well as assist in managing system demand.
- **Cost of Service Based Allocations:** The rate structure should ensure that each customer class is contributing equitably towards revenue requirements based upon the costs of providing service to each customer class.
- **Ease of Implementation:** The rate structure should be compatible with existing billing system. Additionally, the rate structure should allow for the continuation of existing management and system reports.
- **Economic Development:** The rate structure should incorporate a preferential rate that may be used to attract economic development.
- **Equitable Contributions from New Customers:** New customers should be responsible for the capital costs of providing them service.
- **Minimization of Customer Impacts:** The rate study structure should be

developed such that adverse rate impacts on each customer class are minimized.

- **Rate Stability:** The rate structure should minimize dramatic increases or decreases over the planning period.
- **Revenue Stability:** The rate structure should provide for a steady and predictable stream of revenues for the WCSA so that the authority is capable of meeting its current financial requirements.
- **Simple to Understand and Update:** The rate structure should be easy for customers to understand, utilizing a moderate level of educational tools. Additionally, it should be able to be effectively maintained by staff in future years.

Under the direction of Ms. Noyes, the Board then participated in the exercise to prioritize each Pricing Objective as an essential objective, a very important objective, an important objective and a least important objective.

After completing the exercise, the Board ranked Affordability (67%), Revenue Stability (67%) and Rate Stability (50%) to be Essential Pricing Objectives.

Economic Development (50%) and Simple to Understand and Update (50%) were ranked as Very Important Pricing Objectives by the Board.

Ease of Implementation, Equitable Contributions from New Customers, Revenue Stability and Simple to Understand and Update all received 33% vote and were ranked as Important for Pricing Objectives.

The Least Important Pricing Objectives was Conservation/Demand Management with 80% Board vote.

The Board discussed their views on the findings of the exercise.

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Mr. Hutchinson said he felt affordability and revenue stability were the most important pricing objectives.

Mr. McCall felt how simple the rate structure was to understand and update was also important because customers needed to understand the rates.

Mr. Hutchinson felt it was very important for customers to understand rates but did not feel it was an essential classification.

Mr. Kreps asked how the Board felt about affordability and exploring avenues to provide customer assistance programs. He also discussed the option of revenue stability and how it can work in conjunction with affordability to create balance.

Without revenue stability, how can you afford to provide the essential services, maintain the system and add to the system; it goes hand in hand said, Mr. Hutchinson

Mr. Chase agreed, saying they do go hand in hand. He felt all the objectives are essential at some point.

Economic development is a big issue for the county, but what can we give to the IDS to draw in a big firm, asked Mr. Taylor. This is a big issue sometimes. The county that gives the most to big industry is the county that gets big industry; basically you pay them to come, said Mr. Taylor. There are a lot of things that are essential at certain times, said Mr. Taylor.

Mr. Kreps said Raftelis would try and develop a rate structure that shows the results of the exercise, and what is most important to the Board.

If we do not do something to educate, keep graduates here in the county and train them for the industries; we don't have anything, stated Mr. McCall.

Mr. Taylor felt like the bottom line was promoting economic development and keeping the educated in the area.

Mr. Hutchinson said he came from Buchanan County to this area for work; there were jobs in this area, he said, and that is not true today. Mr. Hutchinson said instead of attracting businesses in this area, we have evolved into a retirement community. People from the north and west are attracted to this area because of climate and housing is cheaper, said Mr. Hutchinson. Back in the 1990's, Bristol had the mindset "If we build it they will come" and that has not happened. Bristol has added shopping, restaurants and golf courses but that did not attract industry. It did however attract the retirement community, added Mr. Hutchinson. It has also caused young people to take lower paying jobs, making them more dependent on Social Services for housing assistance and things like that, stated Mr. Hutchinson. Young people are now struggling to find good paying jobs that offer insurance in this area. "We shot ourselves in the foot" stated Mr. Hutchinson.

Mr. Hutchinson discussed a business he and Mr. Cornett visited. That business had a need for skilled workers who could pass a drug and alcohol test along with a background check. Mr. Hutchinson said it was becoming more difficult to find skilled workers that could pass a drug screen and background check in this area. Mr. Hutchinson said when evaluating what is important or essential, no matter what we do to attract industry, they will not come if we do not have quality, skilled workers. "If we don't change our mind set and start looking at this as a different community than what we have been since I moved here, we are going to get deeper and



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deeper into: a struggling economy in this area, stated Mr. Hutchinson.

Raftelis will evaluate WCSA's existing Rate Structure and re-evaluate it considering the Pricing Objectives the Board rated as essential and very important and develop a new Rate Structure for review.

Mr. Bean then discussed stakeholder involvement.

Why involve stakeholders?

- Understand community perspectives (communication)
  - Rate payers
  - Business
  - Environmental
- Communicating Information
  - Financial aspects
  - Operational aspects
- Transparency (open to the public)
- Stakeholder Understanding and Support

Mr. Bean then discussed different types of involvement:

- Temporary
  - Specific Topics
    - Rates
    - Policies
    - Conservation/Environmental
- Temporary
  - Project Duration
  - Sunset (ending at some point)
  - Advisory
- On-Going
  - Task Oriented (specific issues)
    - Finance
    - Development
    - Manufacturing
  - General
    - Advisory to the Board
    - Sounding Board for General Manager
    - Wide Range of Issues
    - Limited Formal Authority

- Membership
  - Task
    - Subject Matter Experts (financial or development)
    - Impacted Stakeholders
  - General
    - Diverse Group
    - Reflective of Community

Mr. Bean then listed these recommendations for the Citizen's Advisory Group:

- Solicit Citizen Input
  - Focus Groups
- Consider Options
  - Participation
  - Timeline

Mr. Bean said his recommendation when going through a Rate Study is always to solicit citizen input; whether it be through a task group (evaluating only one issue, temporary) or on-going with continuous citizen input.

Mr. Chase asked if Raftelis would support WCSA in setting up a task force. Mr. Bean said "absolutely" and said they could do everything from setting up a rates task force or focus group to organizing the group, facilitating the group, gathering the information and reporting back to the Board. He continued saying Raftelis has also put together by-laws for more formalized groups and training for the groups. It is important to do some initial training so they know how to work together as a group and to know what their task is, stated Mr. Bean.

Mr. Bean said if he were designing the Citizen's Advisory Committee, he would recommend having a couple of different focus groups, with representatives from different parts of the county allowing for diverse feedback. The groups would report back to the Board. The Board could hold a public hearing discussing

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their views and make a decision. Mr. Bean felt it is the ideal way to get public input in this rate study process.

If that process works well, said Mr. Bean, would you like it to develop into an ongoing Citizens Advisory Committee that could help with a variety of issues over time?

Mr. Hutchinson said; we must have a public hearing to discuss Rates, Fees and Charges.

Mr. Bean said the more people you involve with these groups in the front end, it will work to WCSA's advantage in accepting a new Rates, Fees and Charge schedule. He continued saying, what you present to us in this exercise should be reflective of the groups views for the most part.

Mr. Bean said he learned early on, people want to be asked to participate in the process, and that is just as important as the findings.

Mr. Hutchinson said he thought it was important to consider focus groups because one thing the Board was lacking was the ability to get information to the people they serve; lack of communication with the public and the Board of Supervisors. Mr. Hutchinson said having these kinds of focus groups was something he would like to see and something he suggested the Board look into.

Mr. Stephon agreed with Mr. Hutchinson adding the committee should include a diverse group of citizens like farmers, industries, retirees, teachers, etc.

Mr. Hutchinson thought having a diverse group, giving input from different perspectives, like farmers with an agricultural prospective, was very important.

Mr. Chase said he would like to see a task force for this project and thought it

may perhaps develop into ongoing committees in the future.

Mr. Hutchison said he would like to see this opportunity develop for other Board members to follow in the future. He thought it would make the jobs of the WCSA Staff and Board members much easier and open the line of communication to the custoemrs.

Mr. Taylor said he concurred.

Mr. Bean offered to put together a couple of options for the Board to review regarding the Citizens Advisory Committee.

Mr. Kreps thanked the Board for their time and input and said they were looking forward to working on the project.

Considering there were six Board Members present, Mr. Taylor questioned Raftelis about having enough information to know what was important to the Board when evaluating the rate structure. We, as a group, have not discussed what we thing are important pricing objectives, said Mr. Taylor, and our opinion, as a group, could change. We need to make sure we are all on the same page, he stated

Mr. Chase said this was the step in the process as this is the first bit of input we are giving Raftelis, and we will get to that point.

Mr. Taylor said Raftelis is trying to establish a foundation tonight.

Mr. Hutchinson asked if the exercise was to be used as a base line, to gather collective input, recognizing the Board members have different perspectives.

Mr. Taylor said he felt the exercise determined individual perspectives. And said in a group setting, discussing the pricing objectives, individuals may have a different view.

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Mr. Chase felt it would be prudent to meet in a workshop forum and discuss pricing objectives further.

Mr. McCall asked a question about an article in the newsletter regarding "rates and when the push started by which Board" implemented the \$1,200 hook-up fee and \$3,600 future growth fee. He said in reading the newsletter, it gave him the impression the fee started in 1970's. "It didn't start in 1970 because in 1976 is when we formed WCSA. I was on that authority and it didn't start then", stated Mr. McCall.

Mr. McCall said it could have been a misprint and asked Mr. Cornett to review the article.

Mr. McCall said the article was unintentionally misleading and would need to be corrected if that was the case.

Mr. Hutchinson asked the Raftelis group if they felt like they had enough information to build a foundation reflecting the views of the Board and the direction of the Board.

Mr. Kreps said he felt like they had an initial foundation since that was the goal of the exercise. Mr. Kreps said Raftelis would take as much feedback from the Board as they could because the more input from the Commissioners, the better.

Mr. Hutchinson thanked Raftelis for their time and said he learned a lot. Mr. Taylor echoed Mr. Hutchinson's comment.

The Board then discussed whether to adjourn or recess the meeting since there were items they would like to discuss in a workshop forum. They agreed to discuss the following items at a later date:

- Financial Feasibility

- Water and Sewer Line Extension Policy
- Pricing Objectives
- Pay Go

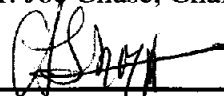
The Board then discussed possible dates for the workshop. At that time, Mr. Hutchinson said due to a personal matter, it may be difficult for him to attend meetings on Wednesdays.

The Board will decide on and announce the workshop meeting date at the September Board meeting.

#### **6. Adjournment**

At 8:22 pm, Mr. Miller motioned to Adjourn. Mr. Stephon seconded the motion and the Board approved voting 6-0-0-1.

  
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Mr. Joe Chase, Chairman

  
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Carol Ann Shaffer, Assistant Secretary