

Washington County Service Authority Board of Commissioners
June 4, 2012 Public Hearing Minutes

The Washington County Service Authority Board of Commissioners' Public Hearing was called to order by the Chairman at 6:58 PM.

ROLL CALL

Commissioners Present:

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

Commissioners Absent:

Mr. Devere Hutchinson
Mr. Dwain Miller

Staff Present:

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

Also Present:

Mr. Mark Lawson, General Counsel

3. Approval of the Agenda

Mr. Taylor moved to approve the agenda. Mr. Taylor's motion was seconded by Mr. Stout and was approved by a 5-0-0-2 vote of the Board.

4. Public Hearing

1. Introduction/Open Public Hearing

The Public Hearing was officially opened by the Chairman at 6:59 PM. Mr. Chase read the following: WCSA is considering certain amendments to its rates, fees and charges and for that reason, we have advertised for and are conducting a public hearing to receive comments on the proposed changes. At this time I would like to ask Mrs. Harold and Mr. Cornett if they would present the proposed changes to the public and Board.

2. Presentation of the Consideration of Amendments to WCSA Rates, Fees and Charges Kim Harold

Mrs. Harold discussed the Proposed Rates, Fees and Charges Amendments. She began saying Item 1, \$25.00 Water Service/Meter Inspection Fee, is a name change only. Mrs. Harold began saying, WCSA currently accesses a \$25.00 Water Service Inspection fee for inspection of new water services. We do not presently inspect all new services, but only those with backflow devices. We would like to expand this to include inspection of deduct meters and meters installed on a private water source for the purpose of billing sewer. We would change the name of the fee to "Water Service/Meter Inspection Fee". This would allow WCSA to recover some of the costs of meter department trips to install a reading device on a deduct or private source supply meter and to ensure that the meter was properly installed. There were no questions from the Board.

Mrs. Harold then moved on to Item 2, Returned Payment/Item Fees and Late Fee. She stated Item 2 was a name change only item. WCSA maintains a \$25.00 Returned Check (or Auto Draft) Fee and proposes that this fee be renamed to "Returned Payment/Item Fee" so that it encompasses any payment, such as a check, auto draft, credit card, CheckFree web etc. The \$6.00 Returned Check (or Auto Draft) Handling Fees helps cover the postage required to mail certified letters to customers whose items are returned and it should be renamed "Returned Payment/Item Handling Fee". The Board had no questions for Mrs. Harold.

Item 3, Additional Fee for Compound/Mag Meters was the next

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amendment Mrs. Harold explained saying, our connection fees listed for Water and Wastewater do not take into account the additional cost to WCSA that should be recovered from a customer requiring or demanding a compound meter. Compound meters provide the capability of accurately measuring both high and low flow rates for customers that may need intermittent or continuous low flow. This fee is in addition to normal tap fees.

The next item Mrs. Harold discussed was Item 4, Correction to Footnote # 4, as it should say "Changes for Main & Fire Line Taps..." Instead of "Charges for Water Taps..." The footnote is in the proper section on the Summary of Approved Rates, Fees and Charges, but it needs to be re-named. There were no questions from the Board.

Mrs. Harold then moved on to review Item 5, metering of private water supply or deduct meter. Saying, WCSA staff has itemized a list of parts and accessories that are typically needed for a customer who desires to install a deduct meter or a meter for the purposes of metering a private water supply. We propose a \$315.00 charge for these parts. An example of a deduct meter is for someone who irrigates their lawn and has public sewer; the deduct meter measures the irrigation water used which is the deducted from the primary meter for sewer usage bill. Mrs. Harold added, we propose a \$13.05 per month fee be established for sewer bill processing to cover the cost of the meter reading, processing and handling of reading deduct meters or sewer only meters. WCSA rules and regulates state "A sewer bill processing fee equal to 2,000 gallons sewer use per month shall be assessed to cover the cost of the meter

reading, processing and handling." We were already charging out customers this fee, but it was left off the Rates, Fees and Charges sheet when developed an approved in 2009 and 2011.

Mr. Cornett discussed the last proposed amendment, Item # 6, Wastewater Connection Fee and Surcharge, which is a new fee. The connection fee would allow us to access the connection fee based on BOD or TSS as opposed to flow volume when a non residential customer wants to connect to the sewer system and is going to have an unusually high, something greater than 250 mg/liter concentration of BOD or TSS. As you can note from the report and update, flow strength also correlates to flow volume. If we have a customer whose flow strength is higher than 250 mg/liter, we need to access the connection fee based on strength and not flow, so it will be accessed on the higher of the two components, whether that be strength or flow. Correlating with that, for any customer who is a high strength discharger, it creates greater demand on the treatment system. For that reason, we have worked with CHA to develop a surcharge of \$.31 per pound for BOD and \$.06 per pound for TSS to cover the additional operation cost associated with high strength waste. The item associated with the connection fee has been added as Footnote # 6 to the summary of Rates, Fees and Charges. We proposed a new billing category for high strength flow based on \$.31 per pound for BOD and \$.06 per pound for TSS.

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.

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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 7:09 PM.

6. Board Discussion, if Any

There was no further Board discussion.

Mr. Chase asked if the Board would like to take action now on the proposed Resolution. Mr. Cornett addressed the Board saying, in light of no public comments this evening; we have no reason to think our recommendations to the Board will be different at the June 25th meeting. Mr. Cornett continued saying, he felt it would be appropriate for the Board to consider the Resolution if Mr. Lawson had no concerns or reservations. Mr. Lawson stated he had none.

Mr. Stephon motioned to approve the Resolution to the WCSA Rates, Fees and Charges. Mr. Stout seconded the motion and the Board approved voting 5-0-0-2.

5. Recess

There was no recess.

6. Consideration of Required Virginia Retirement System Changes Kim Harold, Robbie Cornett

Mrs. Herald began by informing the Board of the Virginia Retirement System (VRS) changes. Mrs. Harold summarized the letter from VRS saying, VRS notified us in House Item Appropriation Act 468(H) and in Senate Bill 497 they are requiring employers make a decision by no later than July 1, 2012, to approve changes to the employer contribution rate options and

changes to the employee contribution rate options.

Mrs. Harold then discussed Resolution 1, the Employer Retirement Rate Contribution Rate Election. The rate certified for WCSA by the VRS Board of Trustees for 2012-2014 is 7.26%. They will allow WCSA to phase in that rate at 70%, 80% and 90%, over the next eight years, with the alternate rate being at 5.08% Mrs. Herald then discussed considerations in electing the contribution rate, if using the alternate rate. One being reduced contributions to the employer account. It will also result in lower funded ration when the next Actuarial Valuation is performed and, thus, a higher calculated contribution rate at that time. Lastly, it will be required that you include the Net Pension Obligation and GASB Standards in the notes to you financial statements.

Mrs. Herald then discussed Resolution 2, the Member Contribution Election. Mrs. Harold read the following excerpt from the VRS letter: all of Plan 1 and Plan 2 school division and political subdivision employees must begin paying the 5% member contribution effective July 1, 2012. All employees hired on or after July 1, 2012 must pay the full 5% upon employment with no phase-in allowed. For current employees, the bill allows governing bodies to phase in the member contribution in each of the next five years or until current employees are paying the full 5% contribution, whichever is earlier. Phase-in increases must be in whole percentages for at least 1% of creditable compensation per year, with comparable offsetting salary increases. By no later than July 1, 2012, the local governing body must approve the amount of the body member contribution that current employees will

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pay beginning July 1. Your governing body also must certify that employees will receive a comparable offsetting salary increase effective July 1 of each year of the phase-in period.

Mrs. Harold then recommended the Board consider adopting Resolution 1 based on the VRS 2012-2014 certified rate of 7.26%. She also recommended the Board consider adopting Resolution 2 based on a full 5% member contribution beginning July 1, 2012 together with WCSA providing a corresponding 5% compensation increase to current employees as required by the bill.

Mr. Cornett said legislation requires new employees hired after July 1, 2012, be responsible to pay the 5% and the employer is not required to increase compensation to cover that cost. Mr. Cornett stated all governing agencies he knew of, were implementing this increase in the same manner as stated above.

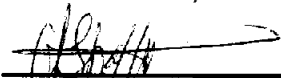
Mr. Stephon motioned to approved Resolution 1 and Resolution 2. Mr. Taylor seconded the motion and the Board approved voting 5-0-0-2.

7. Adjourn

Mr. Taylor made the motion to adjourn the Public Hearing at 7:20 PM. Mr. Taylor's motion was seconded by Mr. Stout and was approved by a 5-0-0-2 vote of the Board.



Mr. Joe Chase, Chairman



Carol Ann Shaffer, Assistant Secretary