

Washington County Service Authority Board of Commissioners
June 15, 2020 Special Called Meeting Minutes

Agenda Item: 1 Call the Meeting to Order

 COMMUNICATION

Presenter(s): Chairman

Beginning Time: 6:03 pm

End Time: 6:03 pm

Agenda Item: 2 Roll Call

 COMMUNICATION

Presenter(s): Chairman

Beginning Time: 6:03 pm

Present: Mr. Campbell, Mr. Hutchinson, Mrs. C. Miller, Mr. D. Miller, Mr. Orfield, Mr. Taylor and Mr. Thayer

Absent: None

End Time: 6:03 pm

Agenda Item: 3 Prayer and Pledge of Allegiance

 COMMUNICATION

Presenter(s): Mr. Campbell opened in prayer and lead the Pledge of Allegiance.

Beginning Time: 6:03 pm

End Time: 6:04 pm

Agenda Item: 4 Approval of the Agenda

 COMMUNICATION

Presenter(s): Chairman

Beginning Time: 6:05

Potential Conflict(s) of Interest and Abstention(s): None

Discussion: None

On the Record: None

Actual Motion: Motion to approve the Agenda as presented.

Motion By: Mr. Campbell

Second By: Mr. Thayer


Voting: Ayes: 7


Nays: 0


Abstain: 0

End Time: 6:05 pm

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Agenda Item: 5  FINANCIAL VIABILITY	Budget Review Workshop
Presenter(s):	Chairman
Beginning Time:	6:05 pm
Potential Conflict(s) of Interest and Abstention(s):	Mr. Cornett, Mrs. Jett and Mrs. Edwards reviewed the attached presentation.
Discussion:	None
On the Record:	None
Actual Motion:	None
Motion By:	
Second By:	
Voting: Ayes:	
Nays:	
Abstain:	
End Time:	7:23 pm

Agenda Item: 6  COMMUNICATION	Consideration of Permanently Closing the Lobby
Presenter(s):	Chairman
Beginning Time:	6:24 pm
Potential Conflict(s) of Interest and Abstention(s):	None
Discussion:	Mrs. Edwards discussed the pros and cons to closing the lobby permanently. The Board was in favor of closing the lobby and agreed to revisit pending any issues.
On the Record:	None
Actual Motion:	None
Motion By:	
Second By:	
Voting: Ayes:	
Nays:	
Abstain:	
End Time:	7:40 pm

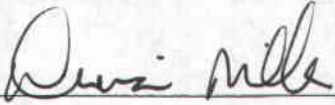
Agenda Item: 13  COMMUNICATION	Late Items
Presenter(s):	Commissioner / General Manager
Beginning Time:	7:40 pm
Potential Conflict(s) of Interest and Abstention(s):	None

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Background:	None
Discussion:	<p>Mr. Cornett provided information on the following:</p> <ul style="list-style-type: none"> • The new Rate and Financial Plan • Strategic Plan <p>Mr. Miller suggested an amendment to the By-Laws that would relinquish the Annual Meeting to the General Manager during the election of the Board Vice Chairman and Chairman.</p> <p>There was a brief discussion regarding water pressure at the customers meter.</p>
On the Record:	None
Enclosures:	None
Recommendation:	None
Proposed Motion:	None
Actual Motion:	None
Motion By:	
Second By:	
Voting:	Ayes:
	Nays:
	Abstain:
End Time:	7:52 pm

Agenda Item: 14  COMMUNICATION	Adjourn
Presenter(s):	Commissioner
Beginning Time:	7:52 pm
Potential Conflict(s) of Interest and Abstention(s):	None
Background:	None
Discussion:	None
On the Record:	None
Enclosures:	None
Recommendation:	
Proposed Motion:	Motion to Adjourn.
Actual Motion:	Motion to Adjourn.
Motion By:	Mr. Campbell
Second By:	Mrs. C. Miller
Voting:	Ayes: 7
	Nays: 0
	Abstain: 0
End Time:	7:52 pm

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Dwain Miller, Chairman



Carol Ann Shaffer, Assistant Secretary

Washington County Service Authority 2021 Budget Presentation

June 15, 2020

Budget Process

- Controller presents year-to-date figures projected forward or annualized (divide by 9 and multiplied by 12) to department managers.
- Department managers review projected figures line, by line, in light of known or anticipated changes (+/-) in expenses.
- Department managers continually update their departmental 5-year capital needs plan.
- Department managers continually monitor compensation for promotions, retirements and the like.
- Operations department managers reviewed expense budgets with the Process Engineer and then presented their requests to the Operations Manager.
- All administration budgets were reviewed by department heads and then were presented to the General Manager.
- All department budget requests go to the Controller and General Manager for consideration after finalized by the managers.

Budget Notes:

- Please notice that our “budgeted expenses” are compared to our “annual expenses” and that the margin is very good overall; meaning that we are not “over” or “under” budgeting. Over the past five (5) years, we:
 - Over budgeted three (3) times (2017, 2018 and 2020); and
 - Under budgeted two (2) times (2016 and 2019).
- The average over the five-year period was 1.24% difference between budget and actual expenses.

Budget Notes:

- Traditionally, WCSA has followed historical inflation for a cost of living adjustment (COLA) regarding employee compensation. Using this method, the COLA % to recommend would have been 1.65%.
- We realize many of our consumers and fellow rate payers have been suffering and some are out of work due to businesses shutting down, etc. brought on by COVID-19; therefore we are not asking for this or the 1% performance increase that the board has graciously given employees in the past.
- We would propose that this be reconsidered in December 2020.

Budget Notes:

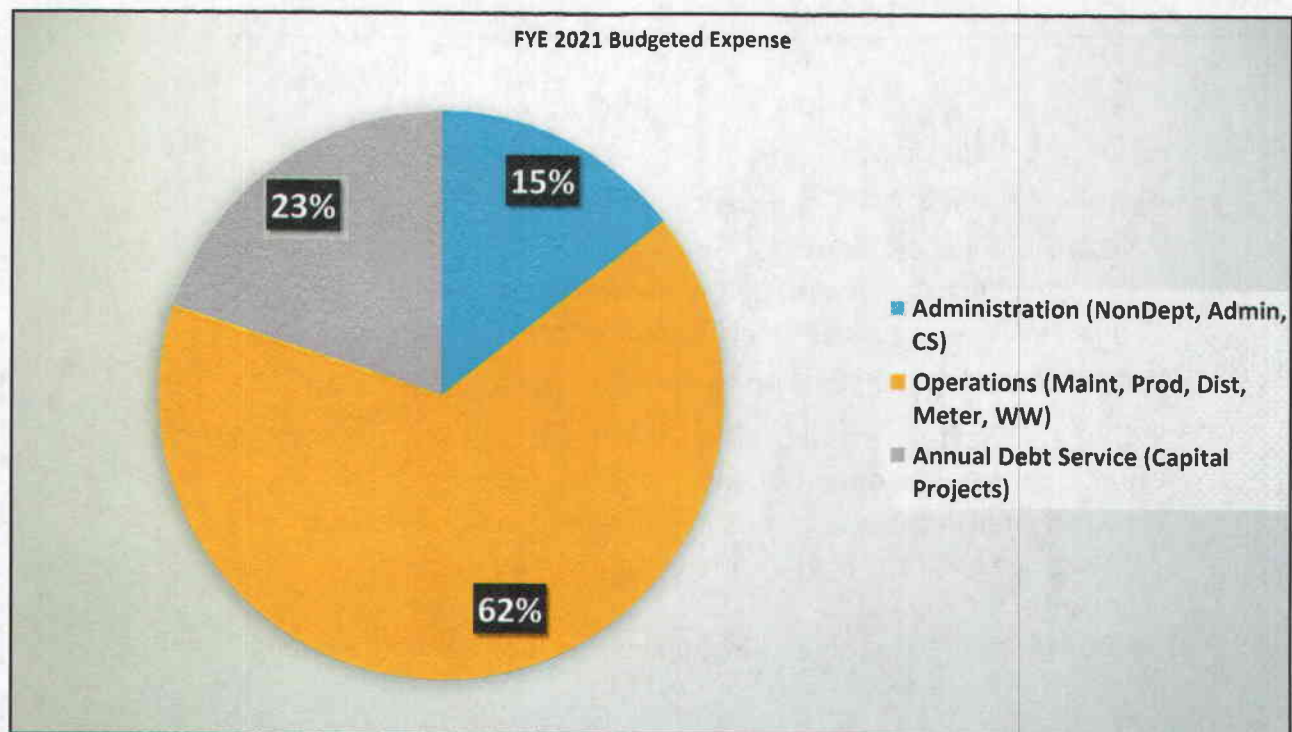
- **State Corporation Commission**
 - Requiring their regulates to suspend disconnection for nonpayment through August. Some Authorities, though we are not obligated to follow SCC rules, are following them.
- **WCSA**
 - Suspended disconnection for nonpayment in March 2020 and was thinking of resuming disconnection for nonpayment in July 2020 with the option to setup a pay plan rather than being disconnected.
 - Alternatively, the Board may wish to follow suit with the SCC and other Authorities.
- **Penalties**
 - Most utilities are waiving penalties.
 - We propose the Board consider waiving penalties from March through August 2020.

Budget Notes:

- **Raftelis / AWWA / Projections**
 - 6% increase in delinquencies
 - 10.2% reduction in nonresidential consumption/revenue
 - 4.8% increase in residential consumption/revenue
- **WCSA's initial figures are not as high as these projections.**
- **WCSA and Raftelis are working together to update our financial plan and rate model to consider the**
 - anticipated increase in cost related to Galvanized Line Phase 3;
 - increased cost related to the meter project; and
 - COVID-19.
 - Our goal is to have this information by your June 22, 2020 meeting.

Changes from April Budget Proposal for 2020

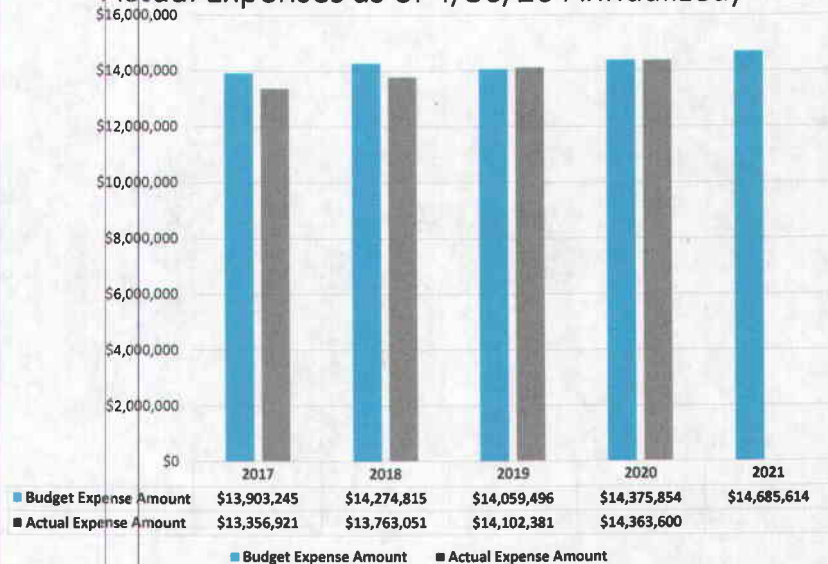
- Water – Non-Departmental Expenses increased approximately \$20,000 due to increases in flood insurance expense and liability insurance expense for 2020
- Health insurance expense decreased for customer service by \$3,801 to put it back to the 2019 budget amount (new budget amount - \$142,139)
- Health insurance expense decreased for meter department by \$1,764 to put it to the 2019 annualized amount (New budget amount - \$58,784)
- Health insurance expense remains at the 2019 budget amount for the following departments: administration, Water – Maintenance, distribution, sewer – maintenance, and sewer production – Damascus
- Health insurance expense for water production – Middle Fork DWP, Mill Creek and Hall Creek are the same as the April proposal and are higher than the 2019 budget amount due to an additional employee, approved by the Board, and added to each of these three departments during fiscal year 2019



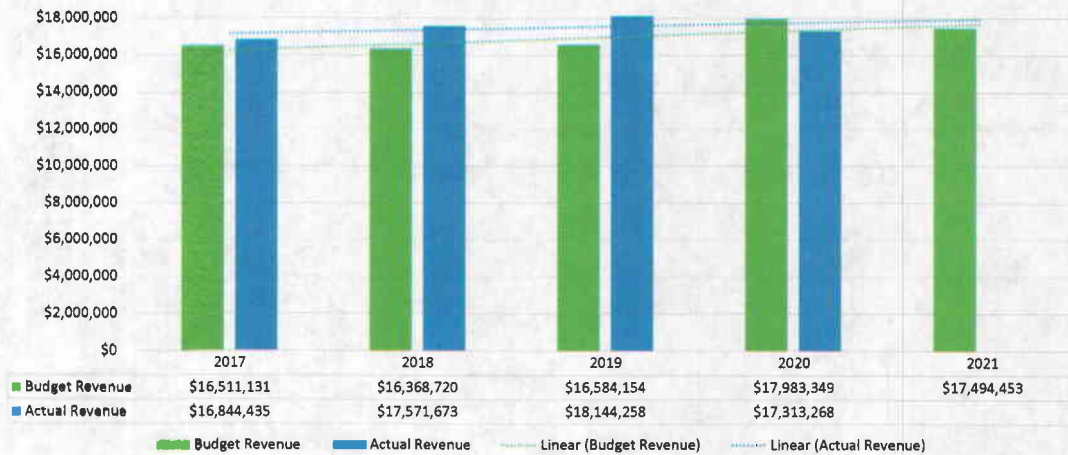
Comparison of Budgeted Expenses



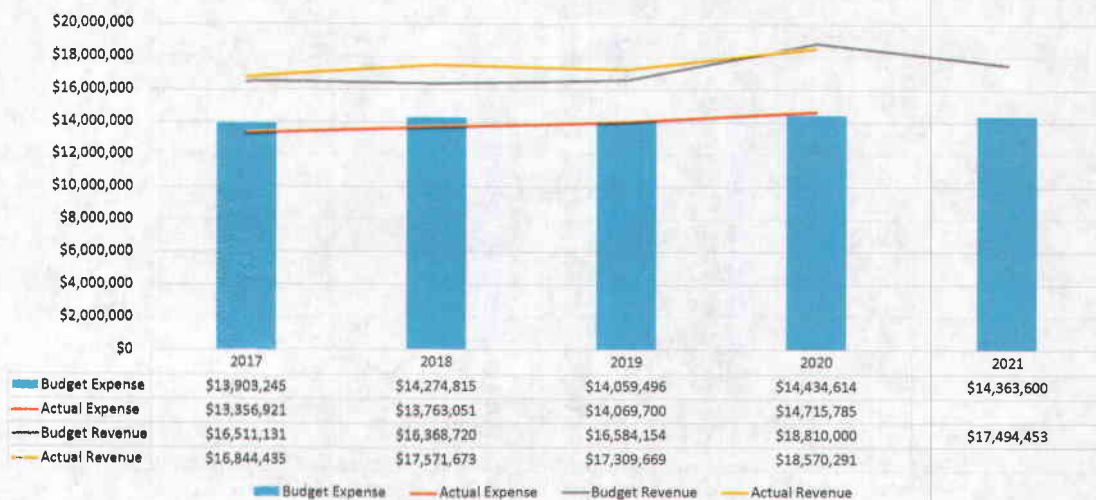
Annual Expenses – Budget versus Actual (2020 Actual Expense based on Actual Expenses as of 4/30/20 Annualized)



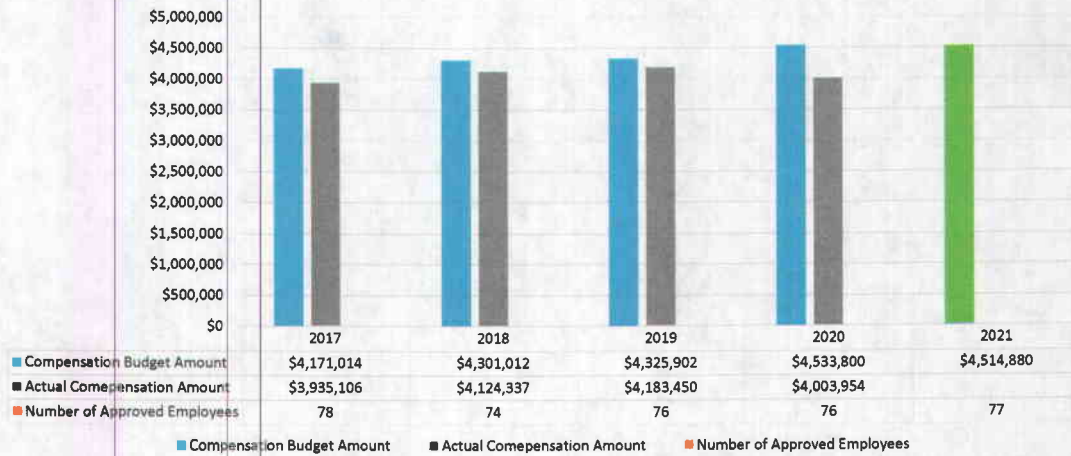
Annual Revenue – Budget versus Actual



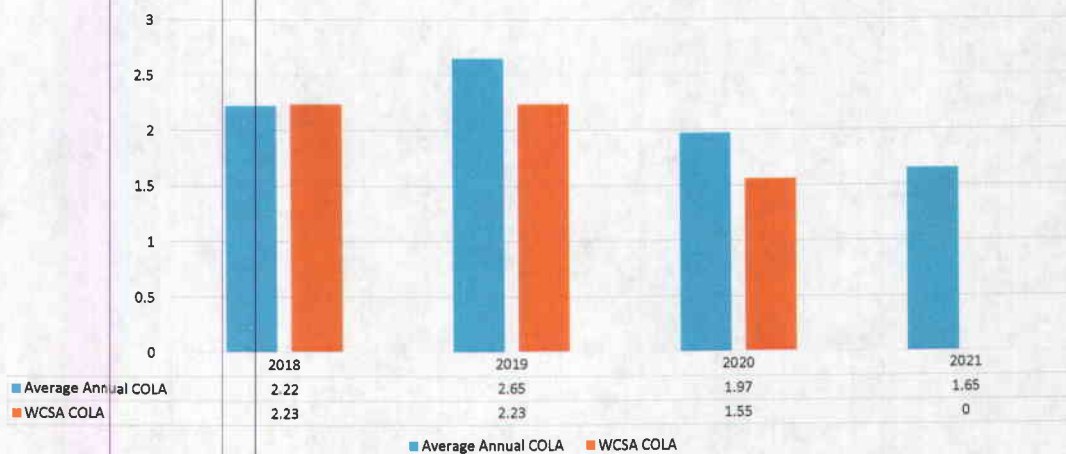
Budget versus Actual – Revenue and Expenses (2017-2020)

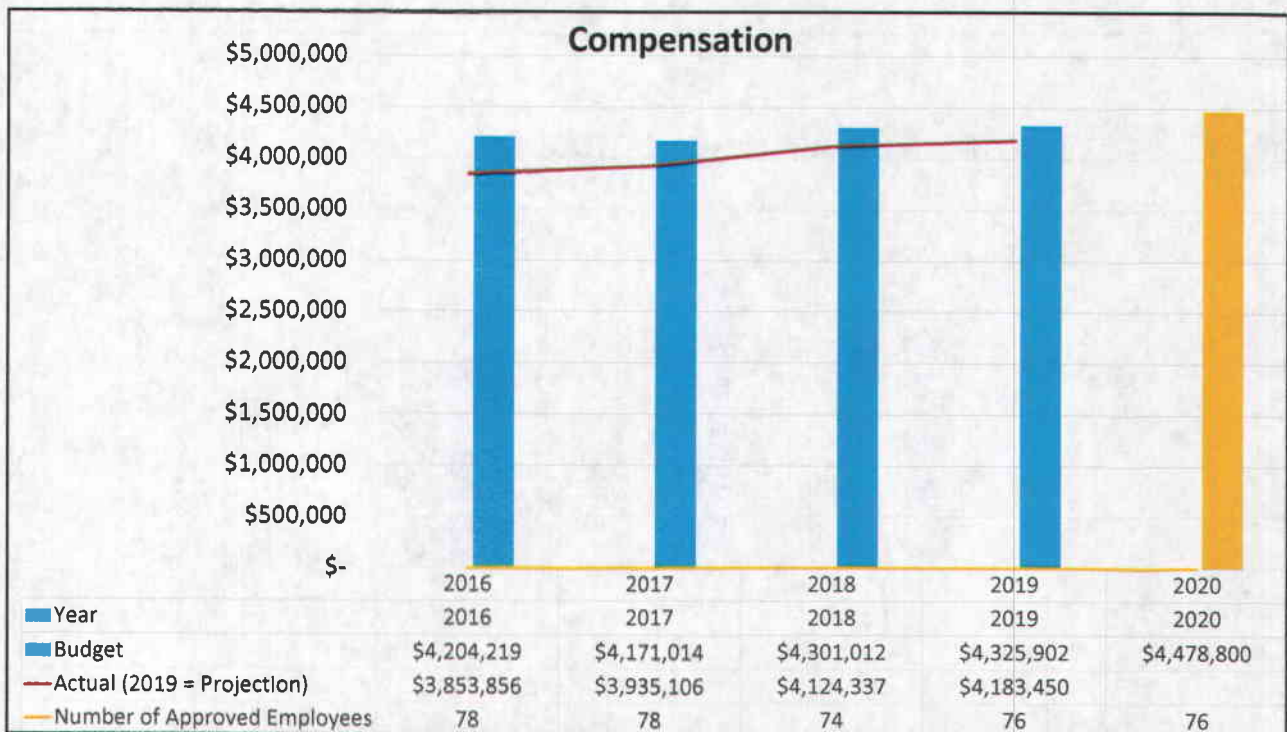
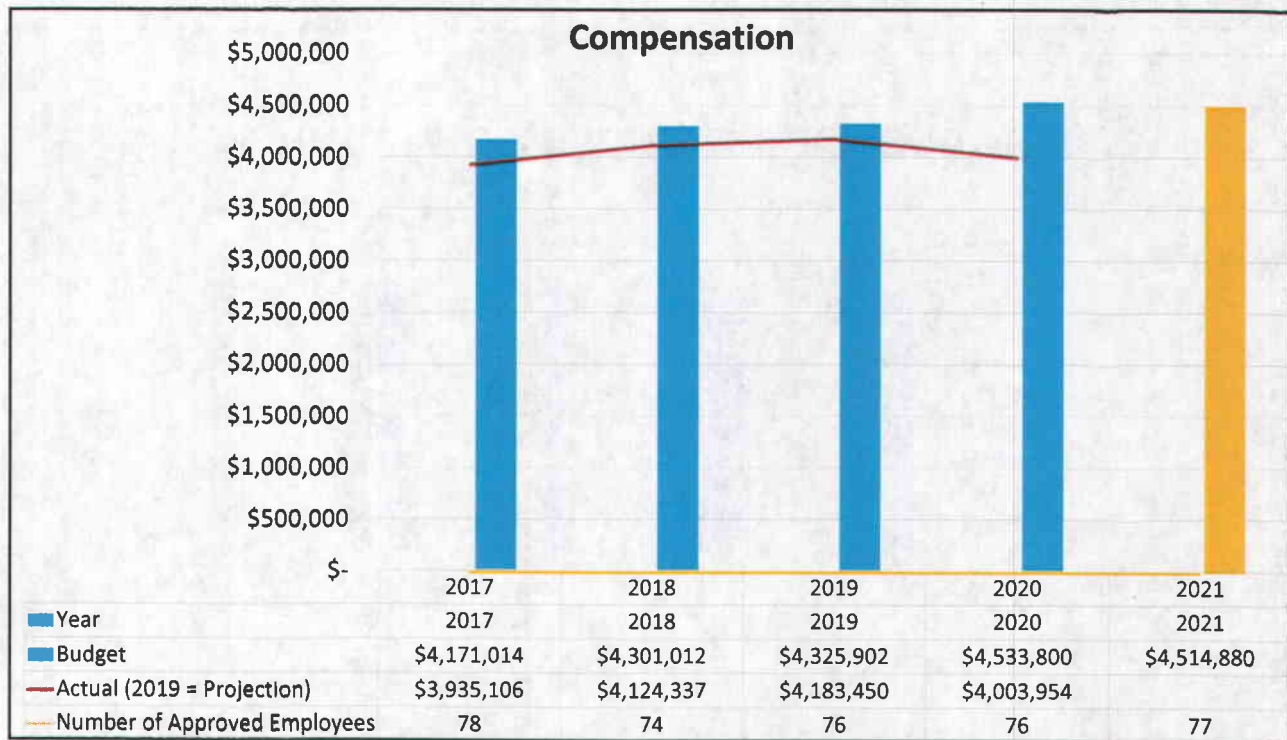


Compensation Budgeted Amounts

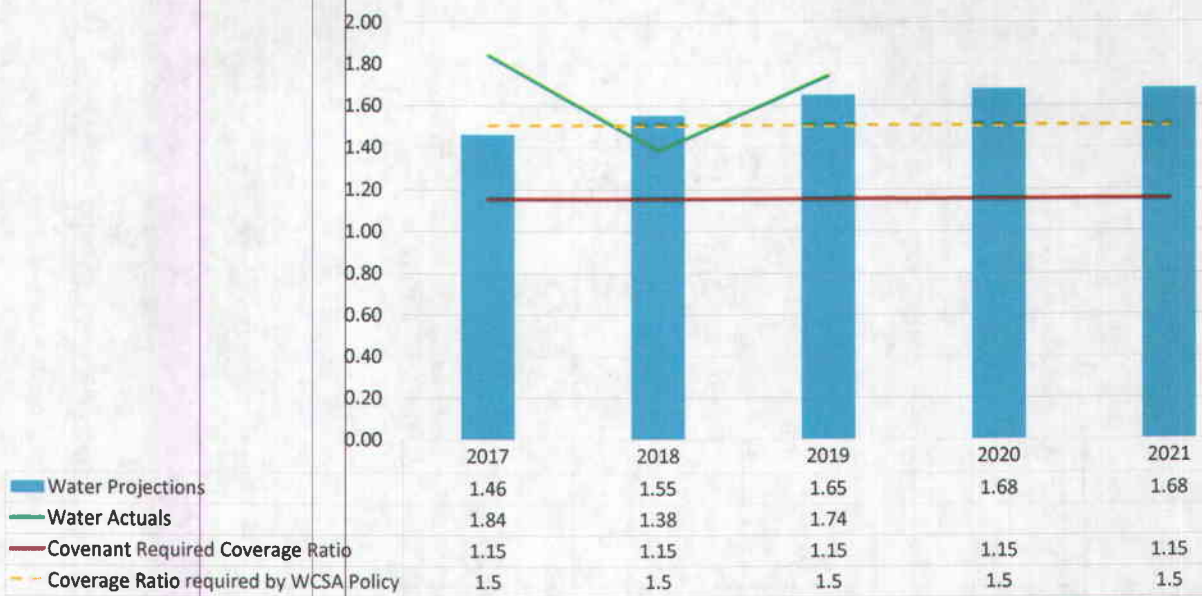


Cost of Living Adjustment Comparison – 2018 - 2021

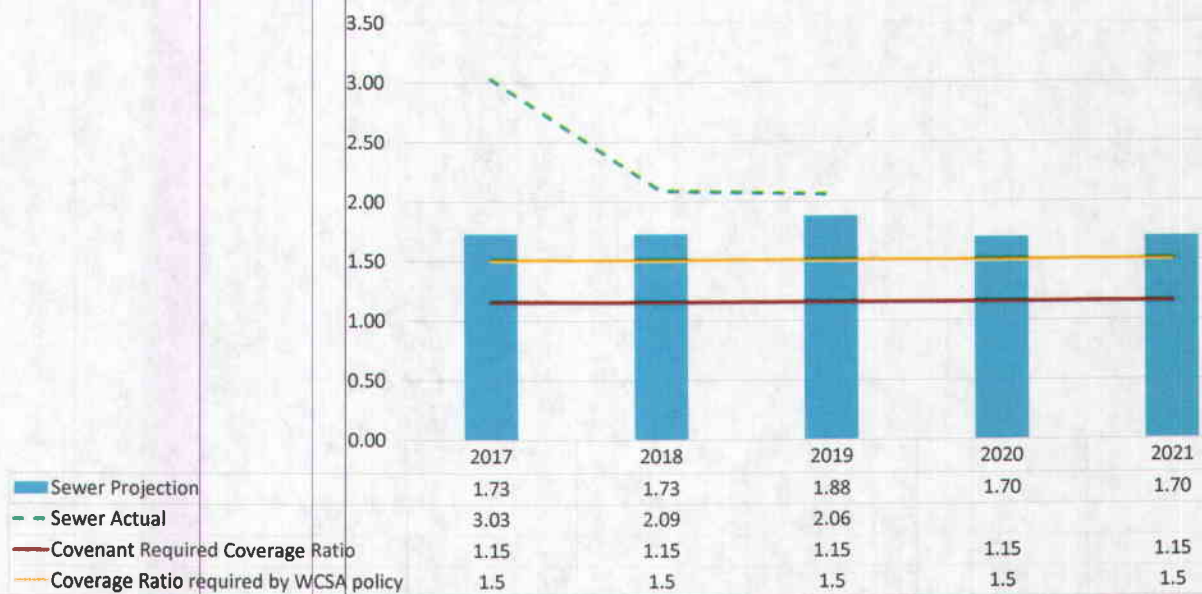




Water – Projection vs Actual Coverage Ratio



Sewer – Projection vs Actual Coverage Ratio



Comments/Questions?

Resolution?