





**Washington County Service Authority Board of Commissioners
September 8, 2020 Special Called Meeting Minutes**


Agenda Item: 1  COMMUNICATION	Call the Meeting to Order
Presenter(s):	Chairman
Beginning Time:	6:10 pm
End Time:	6:10 pm


Agenda Item: 2  COMMUNICATION	Roll Call
Presenter(s):	Chairman
Beginning Time:	6:10 pm
Present:	Mr. Campbell, Mr. Hutchinson, Mrs. C. Miller, Mr. D. Miller, Mr. Orfield, Mr. Taylor and Mr. Thayer
Absent:	None
End Time:	6:10 pm

Agenda Item: 3  COMMUNICATION	Prayer and Pledge of Allegiance
Presenter(s):	Mr. Thayer opened in prayer and lead the Pledge of Allegiance.
Beginning Time:	6:11 pm
End Time:	6:11 pm


Agenda Item: 4  COMMUNICATION	Approval of the Agenda
Presenter(s):	Chairman
Beginning Time:	6:11 pm
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:	Mrs. C. Miller
Second By:	Mr. Thayer
Voting:	Ayes: 7
	Nays: 0
	Abstain: 0
End Time:	6:12 pm

**Washington County Service Authority Board of Commissioners
September 8, 2020 Special Called Meeting Minutes**

Agenda Item: 5  INFRASTRUCTURE	Consideration of Galvanized Line Phase 3 Bids
Presenter(s):	Ryan Kiser / Robbie Cornett
Beginning Time:	6:12 pm
Potential Conflict(s) of Interest and Abstention(s):	
Discussion:	Mr. Kiser reviewed the attached bids for the Galvanized Line Phase 3 Project. Mr. Cornett reviewed the attached the updated financial forecast and rate analysis. Recommendation to approve bids as presented potentially increasing user rates in 2022 or 2023.
On the Record:	Mr. Taylor would like to change the rate model so as not to increase rates at one time and decide how to make customers aware of the rate increase if it is necessary.
Actual Motion:	Move to award the project to each of the respective low bidders subject to securing suitable funding and not implement a sudden 10% rate increase.
Motion By:	Mr. Taylor
Second By:	Mr. Hutchinson
Voting: Ayes:	7
Nays:	0
Abstain:	0
End Time:	7:39 pm

Agenda Item: 6  COMMUNICATION	Consideration of a Resolution Requesting an Amendment to Chapter 63 of the Washington County Code
Presenter(s):	Robbie Cornett
Beginning Time:	7:39 pm
Potential Conflict(s) of Interest and Abstention(s):	
Discussion:	See the attached resolution.
On the Record:	
Actual Motion:	Approve the attached Resolution.
Motion By:	Mr. D. Miller
Second By:	Mr. Thayer
Voting: Ayes:	7
Nays:	0
Abstain:	0
End Time:	7:42 pm

**Washington County Service Authority Board of Commissioners
September 8, 2020 Special Called Meeting Minutes**


Agenda Item: 7  COMMUNICATION	Closed Meeting
Presenter(s):	Commissioner
Beginning Time:	7:42 pm
Potential Conflict(s) of Interest and Abstention(s):	None
Discussion:	None
On the Record:	None
Actual Motion:	Motion to adjourn to Closed Meeting
Motion By:	Mr. D. Miller
Second By:	Mr. Taylor
Voting:	Ayes: 7
	Nays: 0
	Abstain: 0
End Time:	7:44 pm

WASHINGTON COUNTY SERVICE AUTHORITY
BOARD OF COMMISSIONERS
Closed Meeting September 8, 2020

I, Mr. D. Miller, move that the Board of Commissioners of the Washington County Service Authority adjourn to Closed Meeting in accordance with the Virginia Freedom of Information Act for consultation with legal counsel and briefing by a staff member pertaining to litigation, where such consultation and briefing in open meeting would adversely affect the negotiating or litigating posture of the Board, specifically involving the case of Fields v. Washington County Service Authority, currently pending in the United States District Court for the Western District of Virginia, pursuant to Code of Virginia Section 2.2-3711, Paragraph (A) (7).

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

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

Agenda Item: 8  COMMUNICATION	Return to Open Meeting
Presenter(s):	Commissioner
Beginning Time:	9:20 pm
Potential Conflict(s) of Interest and Abstention(s):	None
Discussion:	None
On the Record:	None

**Washington County Service Authority Board of Commissioners
September 8, 2020 Special Called Meeting Minutes**

Recommendation:	Return to Public Meeting
Actual Motion:	Motion to Return to Public Meeting
Motion By:	Mr. Taylor
Second By:	Mr. Thayer
Voting:	Ayes: 7
	Nays: 0
	Abstain: 0
End Time:	9:21 pm

Return to Public Meeting

At 9:20 am, Mr. D. Miller moved the Board return to Open Session.
Mr. Thayer seconded and the Board approved voting 7-0.

Certification of Closed Meeting


Mr. D. Miller moved the Board approve the following resolution:

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 accordance with the provisions of the Virginia of Freedom of Information Act, and

Whereas, Section 2.2-3711 Paragraph D of the Code of Virginia requires a certification by this Authority that such Closed Meeting was conducted in conformity with the Virginia law; and,


Now, therefore, be it resolved that the Board of Commissioners of the Washington County Service Authority hereby certifies that to the best of each member's knowledge, (1) only public business matters lawfully exempt 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.


With an Aye from Mr. Thayer, Mr. Taylor, Mr. D. Miller, Mr. Campbell, Mr. Orfield, Mrs. C. Miller and Mr. Hutchinson the Board confirmed the resolution.

Agenda Item: 9  COMMUNICATION	Late Items
Presenter(s):	Commissioner / General Manager
Beginning Time:	9:22 pm
Potential Conflict(s) of Interest and Abstention(s):	None
Background:	None
Discussion:	Clean up Change Order # 1 for the Sugar Cove Road Extension Project (See attached)
On the Record:	
Recommendation:	Approve Change Order # 1

**Washington County Service Authority Board of Commissioners
September 8, 2020 Special Called Meeting Minutes**

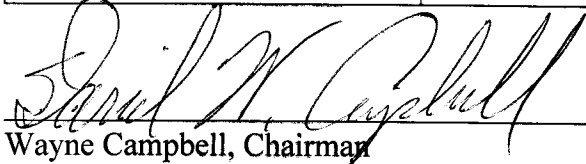
Actual Motion:	Motion to approve Change Order # 1
Motion By:	Mrs. C. Miller
Second By:	Mr. Thayer
Voting:	Ayes: 7
	Nays: 0
	Abstain: 0
End Time:	9:23 pm

Agenda Item: 9  COMMUNICATION	Late Items
Presenter(s):	Commissioner / General Manager
Beginning Time:	9:22 pm
Potential Conflict(s) of Interest and Abstention(s):	None
Background:	None
Discussion:	Mr. Cornett discussed a change on point 3 of the Procurement Policy (see the attached Resolution)
On the Record:	
Recommendation:	Approve the change in the Procurement Policy as recommended.
Actual Motion:	Motion to approve the attached Procurement Policy Resolution.
Motion By:	Mr. Taylor
Second By:	Mr. Hutchinson
Voting:	Ayes: 7
	Nays: 0
	Abstain: 0
End Time:	9:24 pm

Agenda Item: 10  COMMUNICATION	Adjourn
Presenter(s):	Commissioner
Beginning Time:	9:24 pm
Potential Conflict(s) of Interest and Abstention(s):	None
Discussion:	
On the Record:	
Proposed Motion:	Motion to Adjourn.
Actual Motion:	Motion to Adjourn.

Washington County Service Authority Board of Commissioners
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Motion By:	Mr. D. Miller
Second By:	Mr. Orfield
Voting:	Ayes: 7
	Nays: 0
	Abstain: 0
End Time:	9:25 pm



Wayne Campbell, Chairman



Carol Ann Shaffer, Assistant Secretary

DIVISION 1	
Line L9-1,	Rivermont Dr
Line L9-1A,	Rivermont dr
Line L9-1-1	Ridgeview Dr
Line L9-1-2	Honey Locust
Line L9-2	Jeb Stuart
Line L9-2-1	Major dr
Line L9-2-2	Bonnie Ln
Line L9-7	Osceola Rd
Line L9-8	Bethel Rd
Tie Over Services Blue Springs	
Line L9-9	Blue Springs
Line L9-10	Starling Dr
Line L9-11	Rhea Valley/Jeb Stuart
Line L9-11-1	Rhea Valley
Line L9-12	Shadowood cir
Line L-10-1	Lakeshore Dr
Line L10-1-1	Bermuda Dr
Line L10-1-2	Flax Rd
Line L10-2	Cornelius Dr

Division 1A	
Line L10-1A	Keller Rd
Line L10-4	Jeb Stuart/Drowning Ford
Line L10-5	Jeb/Hanover Dr
Line L11-2	Cornett Rd
Line L11-3B	Lambeth Ln
Line L11-4	Hollyfield/Lincol
Line L11-4-1	Nova Rd
Line L11-5	Vails Mill/McCa
Line L11-5-1	McCann Rd
Line L11-8	Dayton Way
Line L11-12	Monroe Rd
Line L-11-14	Bennington/Diamond
Line L11-15	Larkspur ln
Line L11-16	Monroe Rd
Line L11-17 & 17A	Brittany ln
Line L11-19	Hillcrest Av
Line L11-19A	Cem Ridge/Mon
Line L11-19B & 19C	Monroe
Line L11-20 & 21	Bone Hollow Rd

Line L11-22	Docie St
Line L11-23	Appy Trl Dr
Line L11-25 & 27	Imbo/Rey/Lib
Line L11-28 & 29	Leg/lau/crep/tres
Line L11-30	Bank Ave
Line L11-31	Creepers Way
Line L11-35 & 37	N Alley/ E 2nd
Line L11-36A	N Railroad Ave
Line L11-36B-36C	South Railroad
Line L11-38	East Second St
Line L11-39	E Third St
Line L11-40 & 40A	S Alley St
Line L11-43	E Fifth St
Line L11-45 & 45A	Extract St
Line L11-46	Haney/ Intermont
Line L11-52	Brook / S Shady
Line L11-52A	Shady
Line L11-54	Backer Ln
Tie Over Services Zion Church	

5,454,817

DESCRIPTION Division 2	DESCRIPTION Division 2A	DESCRIPTION 2B
	Line 4-10 Lake Rd Total Price	Line L2-1 & 2 Greenbr/Dover Total Price
Line L4-1 & L4-1-1 Spn Gap/Midld	Line 4-10-1 Lake Rd Total Price	Line 32-1 Larwood Ln Total Price
Line 4-3 Concord Ln Total Price	Line 4-11 County Park Rd Total Price	Line 32-2 Clayman Valley Total Price
Line L4-4 Parks Mill Total Price	Line 4-12 Lake Rd Total Price	Line 6-4 Spring Lake Rd Total Price
2" In abnd/tie over Green Sp Total Price	Line 4-15 Shepard Ln Total Price	Line 6-5A Warrior Trl Total Price
Line 4-6 Twin ash/parks Mill Total Price	Line 4-16 Shoreline Dr Total Price	Line L11-52 Clear Creek Rd Total Price
Line 4-6-1 Parks MI/Sydney Total Price	Line 4-17 Shoreline Drive Total Price	Line 6-5 Grn Village Dr Total Price
Line 4-7 Azure Ln Total Price	Line 4-18 Suncatcher rd Total Price	Line 6-2 Litton Rd Total Price
Line 4-9 Rabbit Hill Total Price	Line 4-19, 4-20 Basscamp / Ahoy Rd Total Price	Line 6-2-1 Stone Mtn Rd Total Price
Line 4-13, 4-13-1, 4-13-2. inlet/clipper/fathom Total Price	Line 4-21, 4-22 Driftwood Ln/Webb Dr Total Price	
Line 4-14, 4-14-1 Sportsman dr Total Price	Line 5-15 Beech Hideaway Total Price	2,839,394
Line 4-23 Wylwood Rd Total Price	Line 5-17 Macedonia/trinity Total Price	
Line 4-24 Montego Bay Rd Total Price	Line 5-18, 5-19 Macedonia/Halifax Total Price	
Line 4-25 Sugarbush Rd Total Price	Line 5-20 Wexworth Dr Total Price	
Line 4-26, 4-27 Sandcastle Rd Total Price	Service Line Tie overs, Celebrity Total Price	
Line 4-28 Wild Cherry Ln Total Price	Line 5-16 Celebrity Ln Total Price	
	Line 5-5-1 Fremont Ln Total Price	
	Line 5-5-2 Pickett Ln Total Price	
2,179,519	Line 6-6 White Top vw Total Price	
	Line 6-7 Walden Rd Total Price	
	Line 6-8 Old Saltwks Rd Total Price	
	3,156,372	

DESCRIPTION Division 3	DESCRIPTION Division 3A
	Line L7-1 Old Saltwrks Rd Total Price
	Line L7-4 Farmington rd Total Price
Line L7-7 Smyth Chpl/Tobias Total Price	Line 13-1 Hawke Ln Total Price
Line L7-8 Smyth Chpl Rd Total Price	Line 13-2 Renfro Dr Total Price
Line L8-1 Old Trail Rd Total Price	Line 13-3 Wren Rd Total Price
Line L8-2 Old Trail Rd Total Price	Line 13-4 Hardwood Dr Total Price
Line 8-3 Stoneybrook Total Price	Line 13-5 Crescent Rd Total Price
Line 8-3-1 Overbrook rd Total Price	Line 13-6 Seven Sprgs Rd Total Price
Line 12-1 Ramblewood Total Price	Line 13-6A Old Mill Rd Total Price
Line 12-2 Rmblwd/Ind Run Total Price	Line 13-7 Wildcat Dr Total Price
Line 12-1-1 Pocahontas trl Total Price	Line 15-1 Kelly Chpl Rd Total Price
Line 14-3 Snapp Siding Rd Total Price	Line 15-2 Friendship Rd Total Price
Line 22-5-4 Grnway Rd Total Price	Line 15-4 Cavern Rd Total Price
Line 22-5-5 Sprgfield Ln Total Price	Line 15-5 Blueberry Ln Total Price
Line 34-13-3 Ramblewood dr Total Price	Line 15-6 Loves Mill rd Total Price
	Line 15-8 Loves Mill Rd Total Price
	Line 15-9 Loves Mill Rd Total Price
5,095,760	Line 15-10 Widnr Valley Rd Total Price
	Line 15-11 Kitty Hawk Dr Total Price
	Line 34-13-1 Monroe Rd Total Price
	Line 31-8A St John Ln Total Price
	Line 31-8B Michl Tuckr Ln Total Price
	Line 14-1 Bittrswt Dr Total Price
	Line 14-1A Bittersewwet Total Price
	Line 34-4 Kincannon Rd Total Price
	6,595,403



September 8, 2020

Mr. Robbie Cornett
General Manager
Washington County Service Authority
25122 Regal Dr.
Abingdon, VA 24211

SUBJECT: Updates to WCSA's Financial Planning & Rate Model for FY 2021-FY 2024

Dear Mr. Cornett:

Raftelis Financial Consultants, Inc. ("Raftelis") was engaged by the Washington County Service Authority ("WCSA") to perform a financial planning and model update for the water and wastewater utilities. Raftelis focused on several updates to the model: the capital improvement plan (CIP); operations and maintenance (O&M) expenses, including FY 2020 year to date actuals and FY 2021 budget; projected revenues for FY 2021; and fund balances. This letter report summarizes the results of the model update.

Updates to the Capital Improvement Plan

The most significant update involved increases in capital costs. The estimated cost of the Galvanized Line Phase III (G3) project increased from an estimated \$16,450,000 as of the FY 2019 model to an estimated \$37,763,410, which is based on bids received on September 3, 2020. The increase would add approximately \$820,000 in additional debt service per year to the financial forecast. The Meter Replacement project also increased in cost, from an estimated \$7,500,000 as of the FY 2019 model to an estimated \$9,700,000, which would add approximately \$210,000 in additional debt service per year to the financial forecast. To accommodate increases in capital costs, Raftelis developed a recommended rate increase scenario for potential consideration in FY 2022, discussed in detail below.

For the G3 project, Raftelis assumed that \$1,000,000 of the total cost would be covered by a grant, while the remaining cost would be funded with a 38-year loan (2.125% interest rate), and potentially a small portion would be cash funded depending on financial performance¹. The Meter Replacement project will be funded with a 15-year VRA loan (the loan is secured but not closed). Estimated principal and interest payments for this loan were provided by WCSA staff.

These updates to the capital plan, along with a few miscellaneous changes in project timing and costs, are the main drivers of a projected decline in debt service coverage.

¹ Revised rate scenario generates supplemental cash flow for debt service coverage that may be used to offset a portion of borrowing needs while maintaining consistency with liquidity targets.

WCSA added several extension projects to the CIP this year for consideration. These projects include the Avens Bridge PRV/PSV, the Mary's Chapel Archery Range Road Extension, Abram's Falls Extension, Green Spring Rd. Extension, Monroe Rd. Extension, Taylor's Valley Road Extension, Prices Bridge Road Extension, and Hobbs Road/Fleenors Memorial Road South Extension. In addition to these newly added projects, the Mendota Road Extension, included in the FY 2019 CIP as an optional project, is still under consideration.

Operating Expenses

Raftelis updated FY 2020 O&M expenses with annualized year to date actuals (year to date as of May 31st, 2020). Total estimated actual O&M expenses for FY 2020 were \$9.14 million for water and \$1.34 million for sewer, approximately 9% and 12% lower than the projections from the original model, respectively, which were \$9.98 million for water and \$1.50 million for sewer. Similarly, the FY 2021 budget was lower than what the original model projected. The revised budget estimates \$9.84 million for water and \$1.52 million for sewer, while the original model projected \$10.28 million for water and \$1.54 million for sewer (approximately 5% and 2% decreases, respectively).

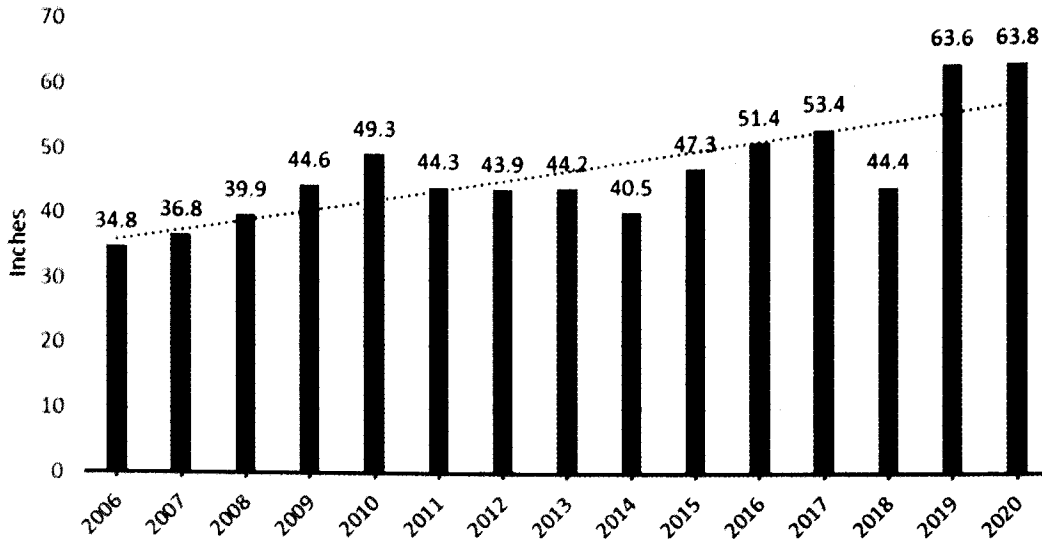
Updates to the Projection of Revenue

Raftelis obtained year-to-date usage and account information for the water and wastewater systems. Once new data was added to the model, calculated revenues were compared to actual audited revenues. Raftelis adjusted projected FY 2019 and FY 2020 usage to align with actual revenues and revenue projections based on the best available data. The results suggest that in both cases consumption decreased meaningfully over the past two fiscal years compared to prior year historical trends.

To help explain the decline in usage observed in both FY 2019 and FY 2020, Raftelis analyzed precipitation data for Abingdon over the past 15 years. The results suggest that both FY 2019 and FY 2020 had relatively high precipitation in the summer months, which likely contributed to the decline in usage observed in both years, since increases in summer precipitation typically lead to less outdoor water use for irrigation purposes. Slight declines in usage in recent months could also be attributed to the impacts of COVID-19, although it appears that COVID-19, at least up to this point, has not had a significant effect on WCSA's usage from month to month based on recent water production and billing statistics.

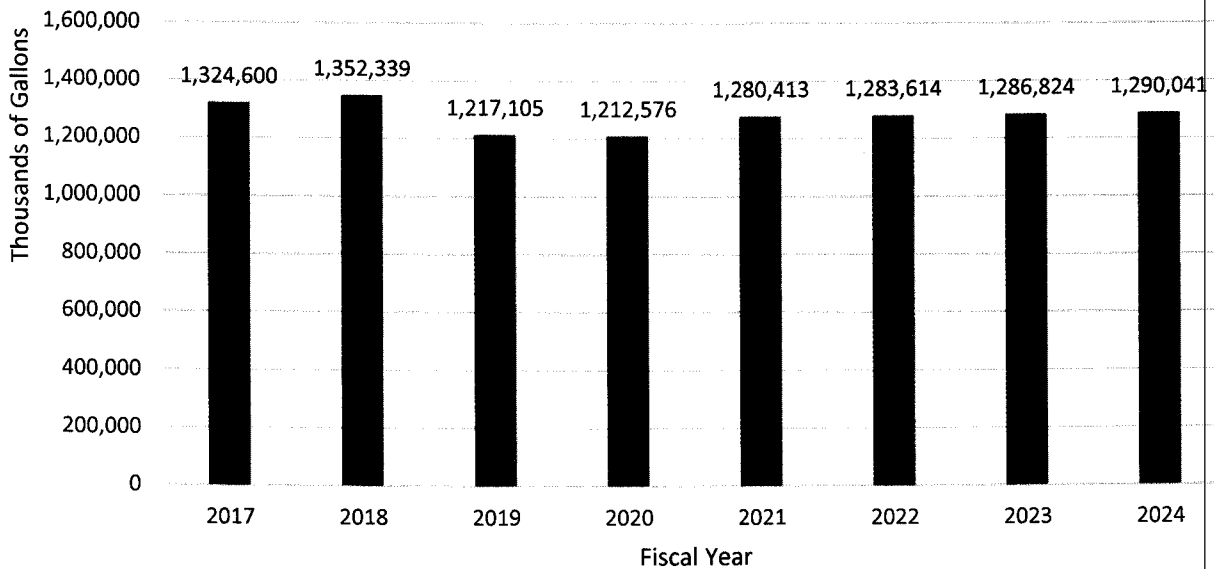
Historical precipitation data in Abingdon suggests that there may be a broader trend of increasing precipitation in the region. Raftelis recommends that WCSA monitor usage and revenue collections closely over the next 2-3 years to ensure that revenue collections are sufficient to fund operational and capital needs.

Total Annual Precipitation in Abingdon, VA

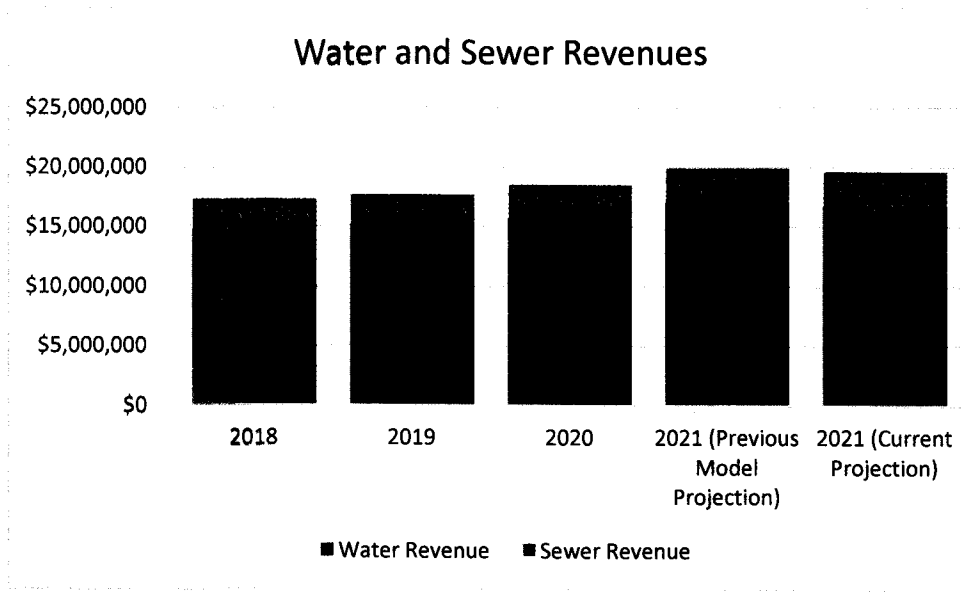


Because FY 2020 usage estimates were relatively low compared to previous years, Raftelis took a four-year average of FY 2017-FY 2020 usage to normalize projections for FY 2021 usage, which serves as the model’s base year. Historical and projected water consumption is provided in the chart below.

WCSA Total Billed Water Consumption (Kgal)



FY 2021 revenue is then calculated based on projected accounts and normalized consumption. Although projected revenue is lower than the most recent model update in FY 2019, reductions in operating costs, as discussed above, help to mitigate these revenue reductions. The resulting revenue projections are shown in the chart below.



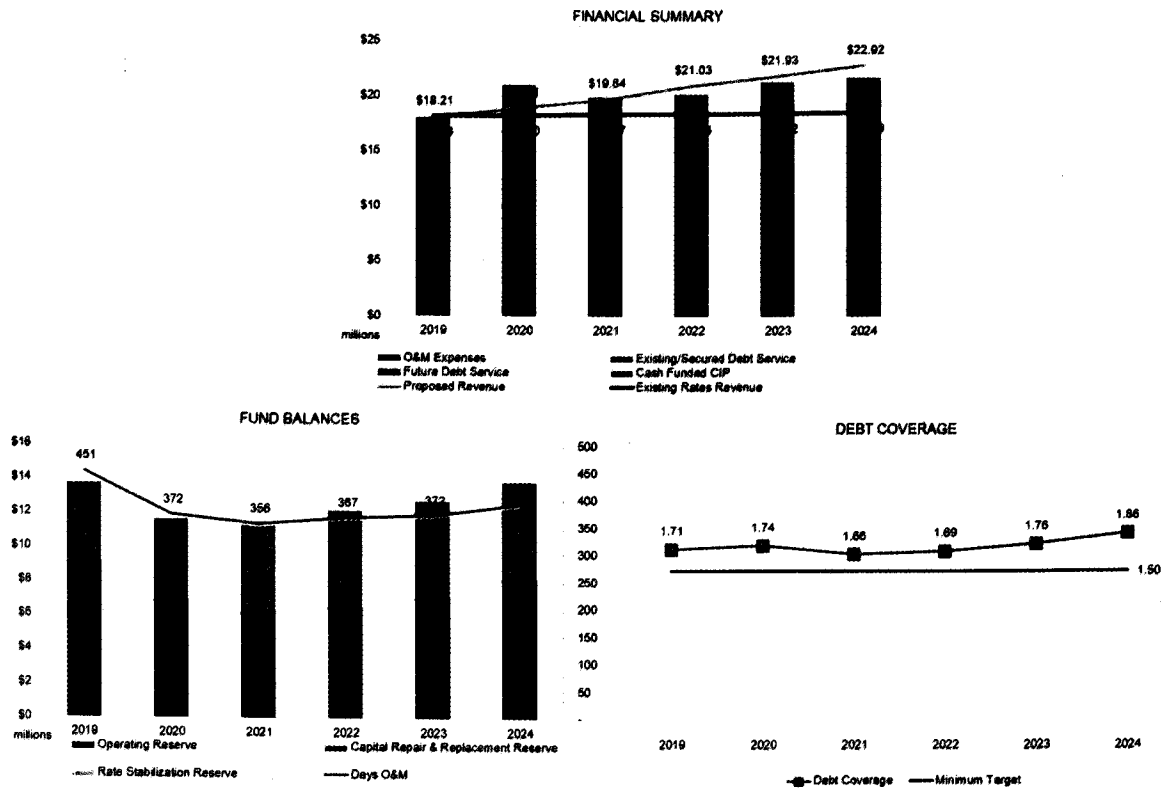
Updates to the Fund Balances

Raftelis updated the FY 2019 fund balances for the Operating Reserve and the Capital Repair & Replacement (R&R) Reserve. Operating Reserve balances for end of year FY 2019 were moderately higher than projected for both water and sewer, which is likely the result of both lower operating expenses and cash financed capital expenditures. The stronger reserve position provides some additional short-term flexibility in mitigating increases in capital costs. FY 2019 year-end balances in the Operating Reserve and Capital R&R Reserve are provided in the “Fund Balances” chart below.

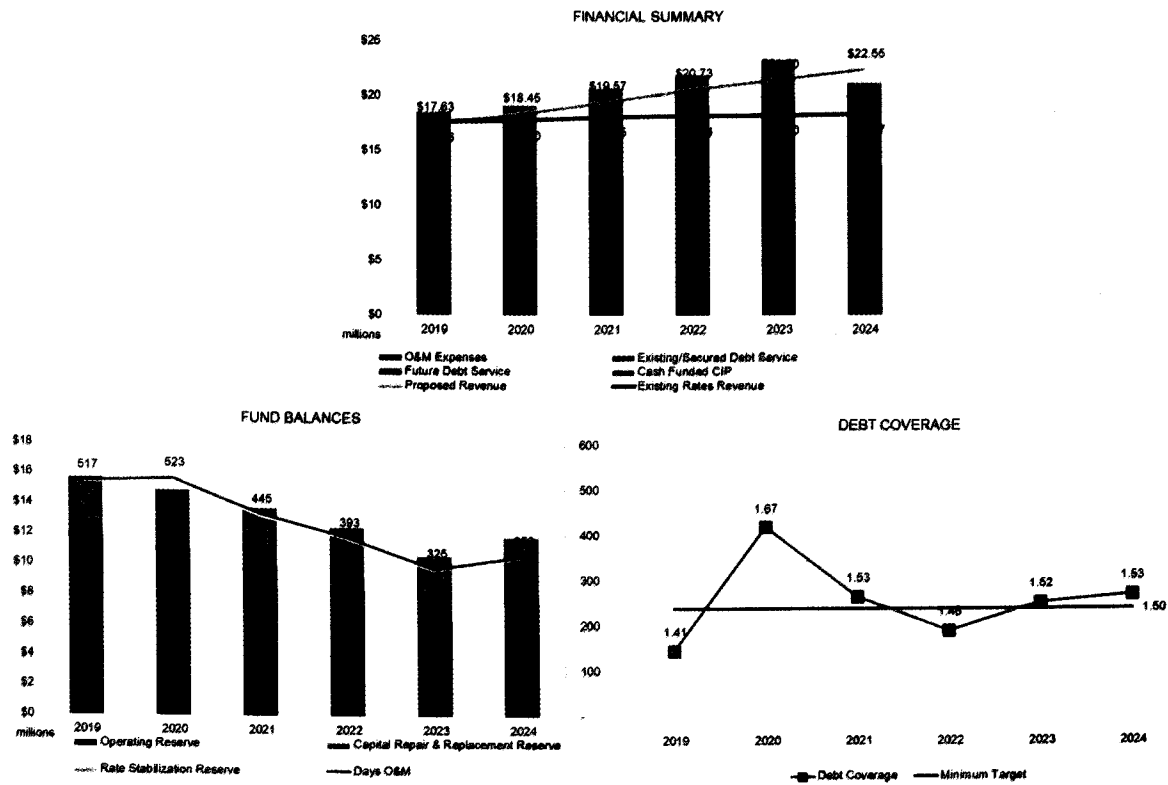
Changes in the Financial Plan and Recommendations

Because of efficient spending and proactive rate increase plans, WCSA has maintained a sound financial forecast despite sharp increases in capital costs and declines in consumption. However, further increases in capital costs and related debt service requirements will make WCSA’s future financial position less favorable compared to projections from the FY 2019 rate study (completed summer of 2019), which served as the basis for current rate recommendations. In addition, if WCSA wishes to deliver all the new extension projects in this year’s CIP while maintaining forecasted rate increases, debt service coverage will decrease below the minimum policy target of 1.5x. The following charts compare WCSA’s forecast as of the FY 2019 rate study to this “New CIP” scenario.

Previous Model Forecast:



New CIP Model Forecast:

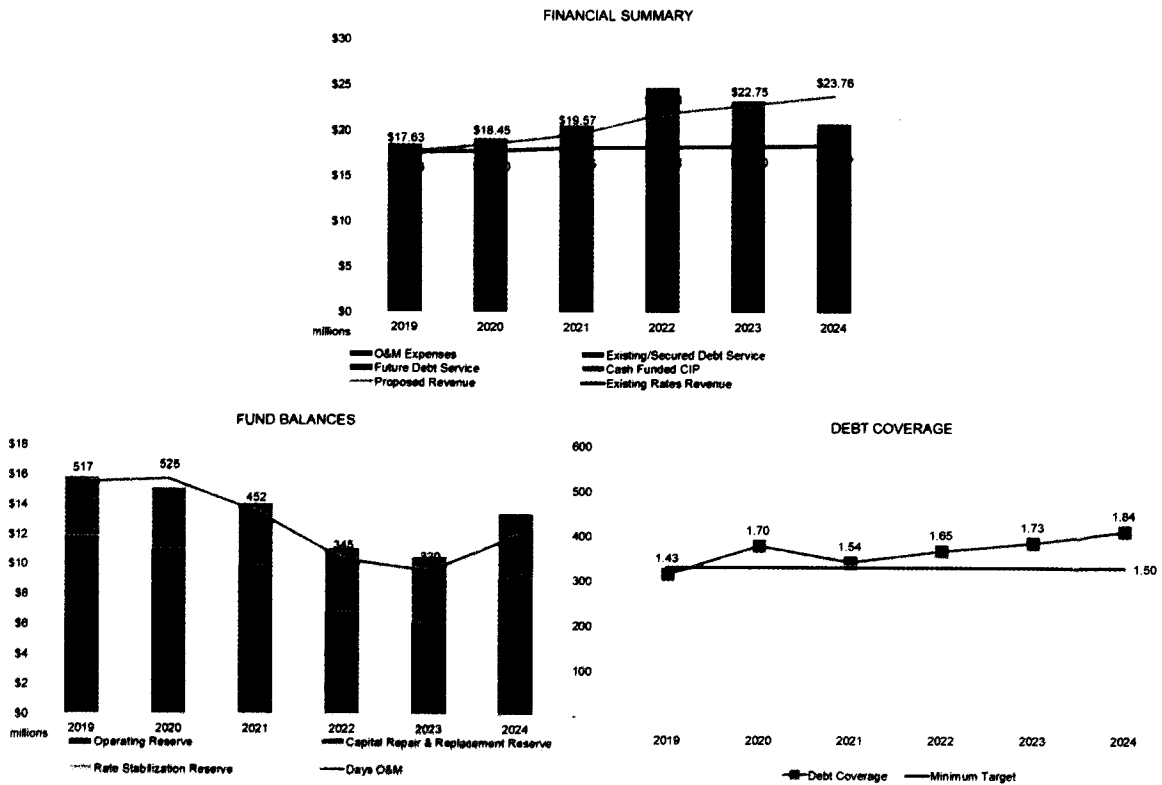


To avoid declines in reserve balances and debt service coverage, Raftelis recommends that WCSA leave the new extension projects unfunded and increase the water rates more than originally planned for FY 2022. Specifically, to generate a financial forecast comparable to the FY 2019 rate study, WCSA would need to increase water minimum charges by 10.25% and water volumetric charges by 12% in FY 2022. Water rates were previously forecast to increase by 3.25% and 5% for minimum and volumetric charges, respectively. Wastewater rate increases would remain the same as forecast in the FY 2019 rate study (2% for minimum charges, 4.75% for volumetric charges).

These recommended rate increases are necessary to generate sufficient revenue to fund the additional debt service requirements associated with the G3 and Meter Replacement projects, based on current cost estimates and revenue projections. However, in light of general economic uncertainties, potential increases in demand as a result of the meter replacement project, and other factors that may affect financial performance, we recommend that WCSA carefully monitor both financial and operational trends over the balance of the fiscal year. The financial forecast should then be updated in the spring of 2021 before making a determination on rates. At that time, WCSA may also consider funding the additional extension projects if analysis suggests they are economically feasible and do not negatively affect financial performance.

Key results of the recommended scenario, including customer impact tables, are shown below.

Recommended CIP Model Forecast:



Recommended Water Rates:

Monthly Base Charge	Existing	FY 2022	FY 2023	FY 2024
3/4"	\$24.74	\$27.28	\$28.09	\$28.94
1"	\$34.63	\$38.18	\$39.32	\$40.50
2"	\$71.73	\$79.08	\$81.45	\$83.90
4"	\$346.29	\$381.78	\$393.24	\$405.04
6"	\$519.43	\$572.67	\$589.85	\$607.55
8"	\$717.31	\$790.83	\$814.56	\$839.00

Volumetric Charges (per 1,000 gal)	Existing	FY 2022	FY 2023	FY 2024
Residential				
Level 1: < 3,000 gallons	\$5.59	\$6.26	\$6.57	\$6.90
Level 2: 3,000 – 6,000 gallons	\$8.16	\$9.14	\$9.60	\$10.08
Level 3: > 6,000 gallons	\$11.41	\$12.78	\$13.42	\$14.09
Non-Residential	\$6.77	\$7.58	\$7.96	\$8.36
All Outside Service Area	\$7.92	\$8.87	\$9.31	\$9.78

Recommended Wastewater Rates:

Monthly Base Charge	Existing	FY 2022	FY 2023	FY 2024
All Customers	\$30.50	\$31.11	\$31.73	\$32.37

Volumetric Charges (per 1,000 gal)	Existing	FY 2022	FY 2023	FY 2024
Residential	\$8.58	\$8.99	\$9.42	\$9.86
Commercial	\$10.06	\$10.54	\$11.04	\$11.56
Industrial	\$10.06	\$10.54	\$11.04	\$11.56

Availability Fee	Existing	FY 2022	FY 2023	FY 2024
Residential	\$26.53	\$27.06	\$27.60	\$28.15

Water Customer Bill Impacts:

¾" Meter	Existing	FY 2022	FY 2023	FY 2024
2 kgal	\$35.92	\$39.80	\$41.24	\$42.74
<i>% Increase</i>		10.8%	3.6%	3.6%
<i>\$ Increase</i>		\$3.88	\$1.44	\$1.50
4 kgal	\$49.67	\$55.20	\$57.41	\$59.72
<i>% Increase</i>		11.1%	4.0%	4.0%
<i>\$ Increase</i>		\$5.53	\$2.21	\$2.31
10 kgal	\$111.63	\$124.59	\$130.28	\$136.23
<i>% Increase</i>		11.6%	4.6%	4.6%
<i>\$ Increase</i>		\$12.96	\$5.68	\$5.95

2" Meter	Existing	FY 2022	FY 2023	FY 2024
30 kgal	\$274.82	\$306.55	\$320.30	\$334.69
<i>% Increase</i>		11.5%	4.5%	4.5%
<i>\$ Increase</i>		\$31.72	\$13.75	\$14.39
50 kgal	\$410.23	\$458.20	\$479.53	\$501.88
<i>% Increase</i>		11.7%	4.7%	4.7%
<i>\$ Increase</i>		\$47.97	\$21.33	\$22.35

Wastewater Customer Bill Impacts:

¾" Meter	Existing	FY 2022	FY 2023	FY 2024
2 kgal	\$47.67	\$49.09	\$50.57	\$52.10
<i>% Increase</i>		3.0%	3.0%	3.0%
<i>\$ Increase</i>		\$1.43	\$1.48	\$1.53
4 kgal	\$64.83	\$67.07	\$69.40	\$71.82
<i>% Increase</i>		3.5%	3.5%	3.5%
<i>\$ Increase</i>		\$2.24	\$2.33	\$2.42
10 kgal	\$116.31	\$121.00	\$125.89	\$130.99
<i>% Increase</i>		4.0%	4.0%	4.1%
<i>\$ Increase</i>		\$4.69	\$4.89	\$5.11

2" Meter	Existing	FY 2022	FY 2023	FY 2024
30 kgal	\$332.36	\$347.31	\$362.95	\$379.32
<i>% Increase</i>		4.5%	4.5%	4.5%
<i>\$ Increase</i>		\$14.95	\$15.64	\$16.37
50 kgal	\$533.60	\$558.10	\$583.76	\$610.61
<i>% Increase</i>		4.6%	4.6%	4.6%
<i>\$ Increase</i>		\$24.51	\$25.65	\$26.86

The revised financial forecast is designed to address additional revenue needs while maintaining consistency with debt service coverage and liquidity targets developed during the FY 2019 rate study. The financial forecast also considers WCSA's broader strategic planning goals, including a desire to increase cash financed capital and reduce system leverage over time. However, Raftelis understands there is a high degree of uncertainty related to the ongoing COVID-19 pandemic and its related impact on economic conditions. As such, we also recommend WCSA carefully monitor financial performance over the balance of this fiscal year and make adjustments to the financial forecast and recommended rates as appropriate.

Sincerely,



Bart Kreps
Vice-President

**WASHINGTON COUNTY SERVICE AUTHORITY
BOARD OF COMMISSIONERS**

**RESOLUTION REQUESTING AMENDMENT TO
CHAPTER 63 OF THE WASHINGTON COUNTY CODE**

WHEREAS, the Washington County Service Authority (WCSA) provides wastewater treatment services in Washington County, Virginia pursuant to the authority granted it by Chapter 63 of the Washington County Code (Chapter 63); and

WHEREAS, Chapter 63 in its current form was enacted by the Board of Supervisors of Washington County by Ordinance Number 2013-002, on April 23, 2013; and

WHEREAS, Chapter 63 has not been amended since April 23, 2013; and

WHEREAS, WCSA has adopted wastewater rules and regulations which mirror Chapter 63; and

WHEREAS, WCSA has engaged a consultant to recommend changes to its rules and regulations in light of changes in federal and state law since April 23, 2013, including without limitation changes in the Code of Federal Regulations and the Virginia Administrative Code; and

NOW, THEREFORE, be it hereby RESOLVED that the Board of Commissioners of the Washington County Service Authority respectfully requests that the Board of Supervisors of Washington County, Virginia amend Chapter 63 of the Washington County Code to conform to the amendments reflected in the attached Exhibit 1.

This Resolution shall become effective upon adoption.

ADOPTED by vote of the Board of Commissioners of the Washington County Service Authority during the open portion of a special meeting held on September 8, 2020:

Motion by: MILLER (BRAIN) Seconded by: TUATYER

Aye 7 Nay — Abstain — Absent —


CHAIRMAN

Date: 9/8/20

ATTEST:


RECORDING SECRETARY

Date: 9-8-20

Change Order No. 1-Final

Date of Issuance: February 11, 2020

Effective Date: September 8, 2020

Project: Sugar Cove Water Line Extension Project	Owner: Washington County Service Authority	Owner's Contract No.: 1
Contract: Sugar Cove Water Line Extension Project	Date of Contract: February 11, 2020	
Contractor: McFall Excavating, Inc.	Engineer's Project No.: WSL-004-18	

The Contract Documents are modified as follows upon execution of this Change Order:

Description:

Cleanup Change Order 1 represents actual quantities installed on the project and contract time adjustment. Contract time for weather and holidays allows an increase of 6 days, but is not needed due to substantial being reached earlier. Fencing included in the original contract for Line Item No. 3 was removed from scope of work and provided a \$6,500 deduction. This item was previously paid in pay request but will be deducted from final pay app retainage. Contract amount is being decreased by \$67.48 for net contract items installed. Extension of time requests are attached but will not be reflected in the below summary since substantial and final were both reached on September 2, 2020.

Attachments (list documents supporting change):

Spreadsheets documenting cleanup change order quantities.

CHANGE IN CONTRACT PRICE:

CHANGE IN CONTRACT TIMES:

Original Contract Price:

\$429,570.61

~~[Increase]~~ ~~[Decrease]~~ from previously approved Change Orders:

\$0

Contract Price prior to this Change Order:

\$429,570.61

~~[Increase]~~ ~~[Decrease]~~ of this Change Order:

\$ 67.48

Contract Price incorporating this Change Order:

\$ 429,503.14

Original Contract Times: Working days Calendar days

Substantial completion (days or date): 150 (September 3, 2020)

Ready for final payment (days or date): 180 (October 3, 2020)

~~[Increase]~~ ~~[Decrease]~~ from previously approved Change Orders :

Substantial completion (days):

Ready for final payment (days):

Contract Times prior to this Change Order:

Substantial completion (days or date): 150 (September 3, 2020)

Ready for final payment (days or date): 180 (October 3, 2020)

~~[Increase]~~ ~~[Decrease]~~ of this Change Order:

Substantial completion (days or date): _____

Ready for final payment (days or date): _____

Contract Times with all approved Change Orders:

Substantial completion (days or date): 149 (September 2, 2020)

Ready for final payment (days or date): 149 (September 2, 2020)

RECOMMENDED:

By: _____
Engineer (Authorized Signature)

Date: _____

Approved by Funding Agency (if applicable): _____

ACCEPTED:

By: _____
Owner (Authorized Signature)

Date: _____

ACCEPTED:

By: _____
Contractor (Authorized Signature)

Date: _____

Date: _____