





Washington County Service Authority Board of Commissioners
August 22, 2022 Regular Board Meeting Minutes


Agenda Item: 1  COMMUNICATION	Call the Meeting to Order
Presenter(s):	Chairman
End Time:	5:58 pm


Agenda Item: 2  COMMUNICATION	Roll Call
Presenter(s):	Chairman
Present:	Mr. Thayer, Mr. Taylor, Mr. D. Miller, Mr. Campbell, Mr. Hutton, and Mrs. C. Miller, and Mr. Hutchinson
Absent:	None
End Time:	5:58 pm

Agenda Item: 3  COMMUNICATION	Prayer and Pledge of Allegiance
Presenter(s):	Mr. Hutton opened the meeting in prayer and led the Pledge of Allegiance.
Beginning Time:	5:58 pm
End Time:	5:59 pm


Agenda Item: 4  COMMUNICATION	Approval of the Amended Agenda
Presenter(s):	Chairman
Beginning Time:	5:59 pm
Potential Conflict(s) of Interest and Abstention(s):	None
Discussion:	None
On the Record:	None
Actual Motion:	Approve the Amended Agenda as presented.
Motion By:	Mr. D. Miller
Second By:	Mr. Thayer
Voting:	Ayes: 7
	Nays: 0
	Abstain: 0
End Time:	6:00 pm


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Agenda Item: 5  COMMUNICATION	Public Query and Comment
Presenter(s):	Chairman
Beginning Time:	6:00 pm
Potential Conflict(s) of Interest and Abstention(s):	None
Speakers:	None
Discussion:	Mr. Hutton was approached by a customer, Frank Buchanan in the Smyth Chapel area with questions about a pump for his residence. Mr. Kiser is working with and will keep Mr. Buchanan updated on his issues. The Chairman welcomed Mr. Dwain Gilbert.
On the Record:	None
Actual Motion:	None
Motion By:	
Second By:	
Voting:	Ayes:
	Nays:
	Abstain:
End Time:	6:05 pm

Agenda Item: 6  COMMUNICATION	Approval of the Consent Agenda
Presenter(s):	Chairman
Beginning Time:	6:05 pm
Potential Conflict(s) of Interest and Abstention(s):	None
Discussion:	None
On the Record:	None
Actual Motion:	Motion to approve the Consent Agenda.
Motion By:	Mrs. C. Miller
Second By:	Mr. Hutton
Voting:	Ayes: 7
	Nays: 0
	Abstain: 0
End Time:	6:05 pm


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Agenda Item: 7  COMMUNICATION	Key Performance Metrics, Exceptions Report(s)
Presenter(s):	Robbie Cornett, Ryan Kiser, Holly Edwards, and Ron Seay
Beginning Time:	6:05 pm
Potential Conflict(s) of Interest and Abstention(s):	None
Discussion:	The team reviewed the attached presentation.
On the Record:	None
Actual Motion:	None
Motion By:	
Second By:	
Voting:	Ayes:
	Nays:
	Abstain:
End Time:	6:34 pm


Agenda Item: 8  INFRASTRUCTURE	Consideration of Fire Hydrant Addition Program
Presenter(s):	Robbie Cornett
Beginning Time:	6:34 pm
Potential Conflict(s) of Interest and Abstention(s):	None
Background:	<p>Currently, provided fire flow is available, fire hydrants are added to the water distribution system one of two ways:</p> <ol style="list-style-type: none"> 1) As part of a construction project, whether constructed by the Authority or a developer; or 2) By one or more residents who wish to add a hydrant with the residents covering the cost of materials and the Authority covering the cost of installation (about \$5,000 total). <p>For some time, in addition to the above-mentioned methods, we have discussed the feasibility and desirability of budgeting for a certain number of discretionary hydrants that the Board elect to be installed on an annual basis. A couple examples include, but are not limited to:</p> <ol style="list-style-type: none"> 1) Budget for 7 hydrants, one for each Commissioner 2) Budget for 8 hydrants, one per fire district area (except for Mount Rogers) 3) Budget for 1 hydrant for magisterial or fire districts with the most hydrants and 2 hydrants for magisterial or fire districts with fewer hydrants <p>At the meeting, additional information will be presented on how many existing hydrants we have in the magisterial and fire districts.</p>

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Discussion:	Mr. Cornett reviewed the attached presentation and participated in discussion with the Board about fire hydrants.
On the Record:	None
Enclosures:	None
Recommendations:	None
Proposed Motion:	None
Actual Motion:	None
Motion By:	
Second By:	
Voting:	Ayes:
	Nays:
	Abstain:
End Time:	6:54 pm


Agenda Item: 9  FINANCIAL VIABILITY	Prior Fiscal Year(s) Performance Update
Presenter(s):	Robbie Cornett
Beginning Time:	6:55 pm
Potential Conflict(s) of Interest and Abstention(s):	None
Background:	Our Board Meeting Calendar has us reviewing the prior fiscal years performance. The FY2022 is not closed yet. However, considering the cost of things over the past two years, we will plan to review FY 2020 and FY 2021 as well as highlights from the FY2021 Audit. This is informational only.
Discussion:	Mr. Cornett reviewed the attached presentation. Mr. Campbell reminded Mr. Cornett that he did not participate in the audit meeting, but Mr. D. Miller did participate in the audit meeting,
On the Record:	None
Enclosures:	None
Recommendation:	None
Proposed Motion:	None
Actual Motion:	None
Motion By:	
Second By:	
Voting:	Ayes:
	Nays:
	Abstain:
End Time:	7:04 pm

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Agenda Item: 10  COMMUNICATION	Consideration of Customer in Good Standing Policy
Presenter(s):	Holy Edwards
Beginning Time:	7:05 pm
Potential Conflict(s) of Interest and Abstention(s):	None
Background:	<p>WCSA policy states, "Late Payment Charges of 10% are assessed in accordance with VA Code Section 15.22119 if the payment is not received by the due date."</p> <p>Our current policy requires customers to make a payment within 18 days after the bill is mailed out, after which, the 10% penalty is applied to the account. Based on the current policy, and our bond covenants, Staff is unable to make any exceptions to this policy unless it was an error on WCSA's part (incorrect mailing address, etc.).</p> <p>Customers often ask about penalty forgiveness. The requests that may have more merit are those from customers who have been customers for years and have never been late or it has been years since they were late. We are unable to verify the circumstances that led to their payment being late (bill or payment, lost or delayed, by the US Mail; debit card for auto draft, on file with WCSA, expiring without the customer realizing it; etc.) but can verify the timeframe over which they have not been late on a payment.</p> <p>Staff has inquired with Bond Counsel and our lenders who have indicated that so long as a customer in good standing policy is uniform, they have no problem with it.</p>
Discussion:	After Mrs. Edwards discussion of the above information, the Board was interested in reviewing a policy. Mrs. Edwards will present a Customer in Good Standing policy for Board consideration at the September meeting.
On the Record:	None
Enclosures:	None
Recommendation:	None
Proposed Motion	None
Actual Motion:	None
Motion By:	
Second By:	
Voting:	Ayes:
	Nays:
	Abstain:
End Time:	7:19 pm


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Agenda Item: 11  EMPLOYER OF CHOICE	Consideration of Health Insurance Renewal
Presenter(s):	Shawn Blevins
Beginning Time:	7:19 pm
Potential Conflict(s) of Interest and Abstention(s):	None
Background:	Bids for employee health insurance renewals were reviewed.
Discussion:	Mr. Blevins discussed the attached presentation to the Board.
On the Record:	None
Enclosures:	None
Recommendation:	Remain with 90 Degree Benefits (Level Funded) Remain with Anthem (dental) Remain with VSP (vision)
Proposed Motion:	Remain with 90 Degree Benefits (Level Funded) Remain with Anthem (dental) Remain with VSP (vision)
Actual Motion:	Motion to accept the recommendation made by Mr. Blevins; remain with 90 Degree Benefits (Level Funded); remain with Anthem (dental); and remain with VSP (vision).
Motion By:	Mr. Hutchinson
Second By:	Mr. Thayer
Voting:	Ayes: 7
	Nays: 0
	Abstain: 0
Discussion:	Mr. Dene recommended the Board act on renewing the Insurance Broker Contract.
Proposed Motion:	Renew the one-year broker contract with Healthcare Choice.
Actual Motion:	Motion to renew the one-year broker contract with Healthcare Choice.
Motion By:	Mr. Hutchinson
Second By:	Mrs. C. Miller
Voting:	Ayes: 7
	Nays: 0
	Abstain: 0
End Time:	7:37 pm

Agenda Item: 12  EMPLOYER OF CHOICE	Strategic Plan Goal: Employer of Choice Update
Presenter(s):	Shawn Blevins
Beginning Time:	7:38 pm


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Potential Conflict(s) of Interest and Abstention(s):	None
Background:	Mr. Blevins will present a Strategic Plan Goal: Employer of Choice update during the August 22, 2022 Regular Board Meeting for information purposes only.
Discussion:	Mr. Blevins discussed the attached presentation with the Board.
On the Record:	None
Enclosures:	None
Recommendation:	None
Proposed Motion:	None
Actual Motion:	None
Motion By:	
Second By:	
Voting:	Ayes:
	Nays:
	Abstain:
End Time:	7:57 pm

Agenda Item: 13  INFRASTRUCTURE	Consideration of 2022-2023 Budget Amendment and Proposed Change Order 4 for Galvanized Line Phase 3 Division 3A
Presenter(s):	Ryan Kiser
Beginning Time:	7:57 pm
Potential Conflict(s) of Interest and Abstention(s):	None
Background:	<p>In February, the Board approved proposed change order from Boring Contractors for the replacement of the existing 12” Bristol Industrial Park line that continues to be very problematic. Numerous breaks have occurred on this cast iron line that has left industries out of water for long periods of time and WCSA working in or very close to a busy roadway. The change order was approved contingent upon Rural Development approval and remaining funds being available from the Galvanized Line Phase 3 Project.</p> <p>Now that all the original Galvanized Line Phase 3 work, including other change orders, is complete, we are short \$232,018.61. This is primarily due to additional work that had to be done in the Damascus area. If approved, WCSA reserves would be used to fund the shortfall.</p> <p>Change order pricing for the addition of Bristol Industrial Park Line, including a 5% contingency is \$1,287,426.00.</p>


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		As a reminder, \$1,000,000 of the remaining Rural Development funds are GRANT. The contractor is also requesting 120 days of contract time to complete the work.
		The total amount of remaining Rural Development funds available for the project are \$1,055,407.39.
Discussion:		Mr. Kiser reviewed the information above.
On the Record:		None
Enclosures:		Change Order 4
Recommendation:		Subject to answering any questions the Board may have, Staff kindly recommends the Board favorably consider the proposed Change Order 4 and amending the budget by \$232,018.61 to cover the project shortfall.
Proposed Motion:		Move to authorize the approval of proposed Change Order 4 and amending the budget by \$232,018.61 to cover the project shortfall.
Actual Motion:		Move to authorize the approval of proposed Change Order 4 and amending the budget by \$232,018.61 to cover the project shortfall.
Motion By:		Mr. Hutchinson
Second By:		Mr. Hutton
Voting:	Ayes:	7
	Nays:	0
	Abstain:	0
End Time:		8:09 pm

Agenda Item: 14  INFRASTRUCTURE	Consideration of WSL-010-21A Prices Bridge, Monroe Road, Taylors Valley and Green Springs Road, Change Order 1
Presenter(s):	Ryan Kiser
Beginning Time:	8:09 pm
Potential Conflict(s) of Interest and Abstention(s):	None
Background:	<p>At the May 2022 Board meeting, there was a request made of the Board to install a fire hydrant on Monroe Road as part of the WSL-010-21A Waterline Extension Project. The proposed water line size for the project is 4-inch waterline. To install a fire hydrant the line size is required to be increased to 6-inches in diameter. Pricing has been requested from the contractor for upsizing the line to facilitate installation of the fire hydrant and will require an increases project cost of \$28,820.00.</p> <p>This fire hydrant would benefit 5 residents at a cost/resident of \$5,764. Not including water production cost or any operation and maintenance cost, based on a typical water bill alone, it would require WCSA 9-years to recover this cost.</p>

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	The Notice to Proceed for this project was issued on March 7, 2022, and it was noted at the pre-construction meeting that it would be summer before ductile iron pipe would be available. It was agreed upon by Engineer and contractor that contract time would be added once pipe was available. This change order will true up the time from the Notice to Proceed date thru August 11, 2022 and add 157 days of contract time.
Discussion:	Mr. D. Miller suggested adding a hydrant at the McGee Lane and Monroe Road intersection.
On the Record:	None
Enclosure:	Proposed Change Order 1
Recommendation:	Staff kindly asks the Board to consider approving the change in contract time of 157 days and consider whether the cost of increasing the line size and adding the fire hydrant is reasonable.
Proposed Motion:	Move to approve the addition of 157 days, one fire hydrant, and one 6-inch valve.
Actual Motion:	Motion to approve the addition of 157 days, one fire hydrant, and one 6-inch valve.
Motion By:	Mr. D, Miller
Second By:	Mr. Hutchinson
Voting:	Ayes: 7
	Nays: 0
	Abstain: 0
End Time:	8:24 pm

Agenda Item: 15  COMMUNICATION	Closed Meeting
Presenter(s):	Commissioner
Beginning Time:	8:24 pm
Potential Conflict(s) of Interest and Abstention(s):	None
On the Record:	None
Actual Motion:	Adjourn to Closed Meeting
Motion By:	Mr. D. Miller
Second By:	Mr. Taylor
Voting:	Ayes: 7
	Nays: 0
	Abstain: 0
End Time:	8:25 pm


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WASHINGTON COUNTY SERVICE AUTHORITY
BOARD OF COMMISSIONERS
Closed Meeting August 22, 2022

Mr. D. Miller moved 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 discussion and consideration of the award of a public contract involving the expenditure of public funds, and discussion of the terms and scope of such contract, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the public body, and specifically involving a proposed legal services agreement between the Authority and Dene & Dene, P.C., pursuant to Va. Code Section 2.2-3711(A)(29).

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

Mr. Taylor seconded with a 7-0 Board vote.

Agenda Item: 16  COMMUNICATION	Return to Open Meeting
Presenter(s):	Commissioner
Beginning Time:	9:07 pm
Potential Conflict(s) of Interest and Abstention(s):	None
On the Record:	None
Actual Motion:	Motion to return to Open Session
Motion By:	Mr. Hutton
Second By:	Mr. Thayer
Voting:	Ayes: 7
	Nays: 0
	Abstain: 0
End Time:	9:08 pm

Return to Public Meeting

Mr. Hutton moved that the Board return to Open Session.

Certification of Closed Meeting

Mr. D. Miller moved that the Board adopt 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 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

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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 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. Thayer, Mr. Taylor, Mr. D. Miller, Mr. Campbell, Mr. Hutton, Mrs. C. Miller, and Mr. Hutchinson.


Agenda Item: 17 A  COMMUNICATION	Late Items
Presenter(s):	Commissioner
Beginning Time:	9:09 pm
Potential Conflict(s) of Interest and Abstention(s):	None
On the Record:	None
Discussion:	Mr. Cornett recommended the Board approve a change in percentage rates from 2.5 % to 3% in the Bond Resolution for WSL-010-21.
Actual Motion:	Motion to change the 2.5% interest rate to 3% interest rate in the Bond Resolution for WSL-010-21.
Motion By:	Mrs. C. Miller
Second By:	Mr. Hutchinson
Voting:	Ayes: 7
	Nays: 0
	Abstain: 0

Agenda Item: 17 B  COMMUNICATION	Late Items
Presenter(s):	Commissioner
Potential Conflict(s) of Interest and Abstention(s):	None
On the Record:	None
Discussion:	The Board approved the Personnel Policy Manual pending codifications at the July 18, 2022 Annual Board Meeting. Mr. Dene discussed recent codifications made to the Personnel Policy Manual as follows: <ol style="list-style-type: none"> 1. Section 9: Employee Benefits The original copy stated the accounting department was to make benefits available to all employees. That was changed from the accounting department to human resources department. 2. Section 14.7 Added phrasing to require employees to comply with all standards, rules, and laws relating to the wearing of personal protective equipment.

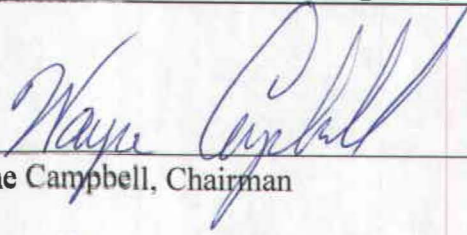
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		3. Section 15.15: Attendance Policy Added an attendance policy that prohibits tardiness and absenteeism.
Actual Motion:		None
Motion By:		
Second By:		
Voting:	Ayes:	
	Nays:	
	Abstain:	

Agenda Item: 17 C  COMMUNICATION		Late Items
Presenter(s):		Commissioner
Potential Conflict(s) of Interest and Abstention(s):		None
On the Record:		Mr. Campbell recognized Tommy Orfield with 15 years of service; Brian Phillips with 15 years of service and Scott Trogdon with 5 years of service.
Discussion:		None
Actual Motion:		None
Motion By:		
Second By:		
Voting:	Ayes:	
	Nays:	
	Abstain:	
End Time:		9:14 pm

Agenda Item: 18  COMMUNICATION		Adjourn
Presenter(s):		Commissioner
Beginning Time:		9:14 pm
Potential Conflict(s) of Interest and Abstention(s):		None
On the Record:		None
Actual Motion:		Motion to adjourn
Motion By:		Mr. Taylor
Second By:		Mr. Hutchinson
Voting:	Ayes:	7
	Nays:	0
	Abstain:	0
End Time:		9:14 pm

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Wayne Campbell, Chairman

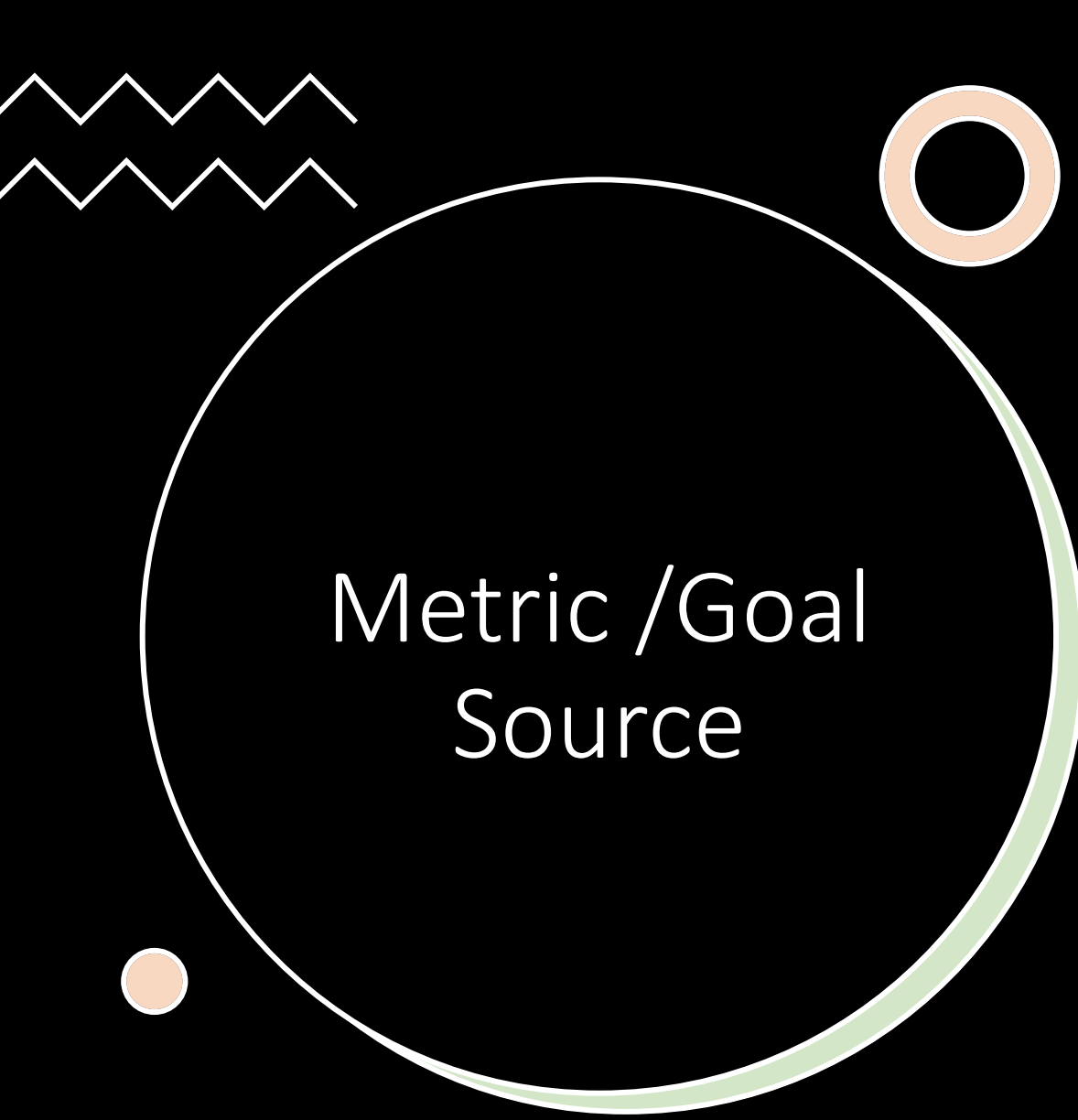


Carol Ann Shaffer, Assistant Secretary




Key Performance Metrics

July 2022 Exceptions Report



Metric /Goal Source

- 2021 (2020) American Water Works Association, Utility Benchmarking Survey
 - 36 States, three Canadian provinces, and one US territory
 - Aggregate benchmarking data provides one framework for an individual utility to track its goals and improvement. Use of benchmarking data, or initiating the process of performance measurement, **can be key to performance improvement**. Efficient and effective improvements are necessary for utilities to meet customer expectations, manage rates, and meet more stringent regulations.
- 

Introduction

The American Water Works Association (AWWA) Utility Benchmarking Program aims to provide utilities the opportunity to self-evaluate their utility performance by providing objective performance measures for decision-makers who are responsible for day-to-day utility operations. Participating utilities provide potable water (referred to in this report as *water*), wastewater,

Metric Background

services improve their efficiency and effectiveness. As much as possible, the performance indicators used in AWWA's approach have been generalized or normalized to provide greatest general applicability. AWWA's Utility Benchmarking Program does not define best practices based on central tendency measures, such as the median and quartile ranking.

Water and Wastewater Utility Benchmarking

Benchmarking is a valuable tool for water and wastewater system managers and decision-makers to systematically improve their utility's performance. AWWA began development of a utility benchmarking program in 1995 with the goal of providing

Participants?

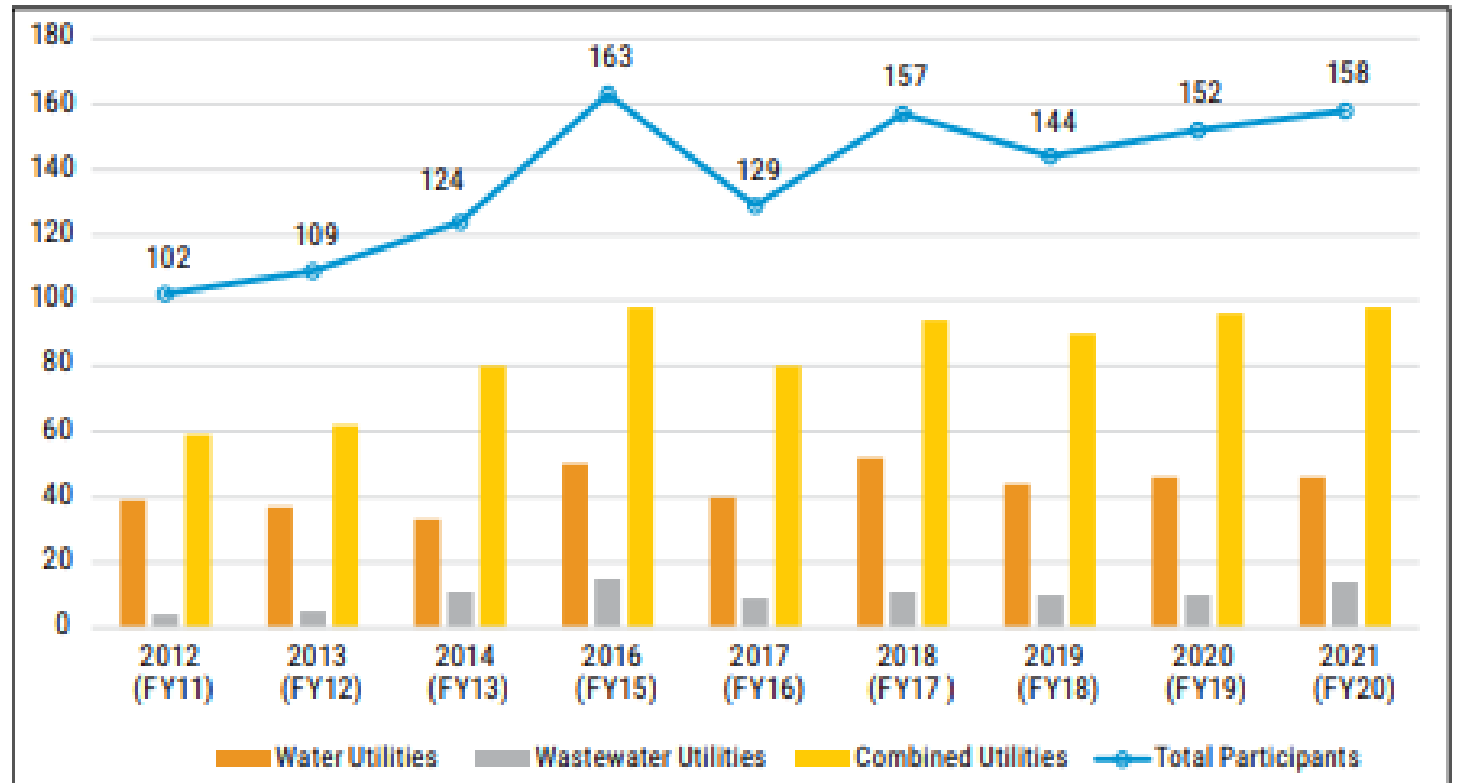


Figure 1 Historical utility participation

Benchmarking Virginians

Virginia

Chesapeake Department of Public Utilities

C

County of Arlington Water & Sewer

C

County of Chesterfield

C

Fairfax Water

W

Hanover County Department of Public Utilities

C

Newport News Waterworks Department

W

Prince William County Service Authority

C

Virginia Beach Public Utilities

C

Western Virginia Water Authority

C

How Many Like WCSA

- 20 of 158 (13%)

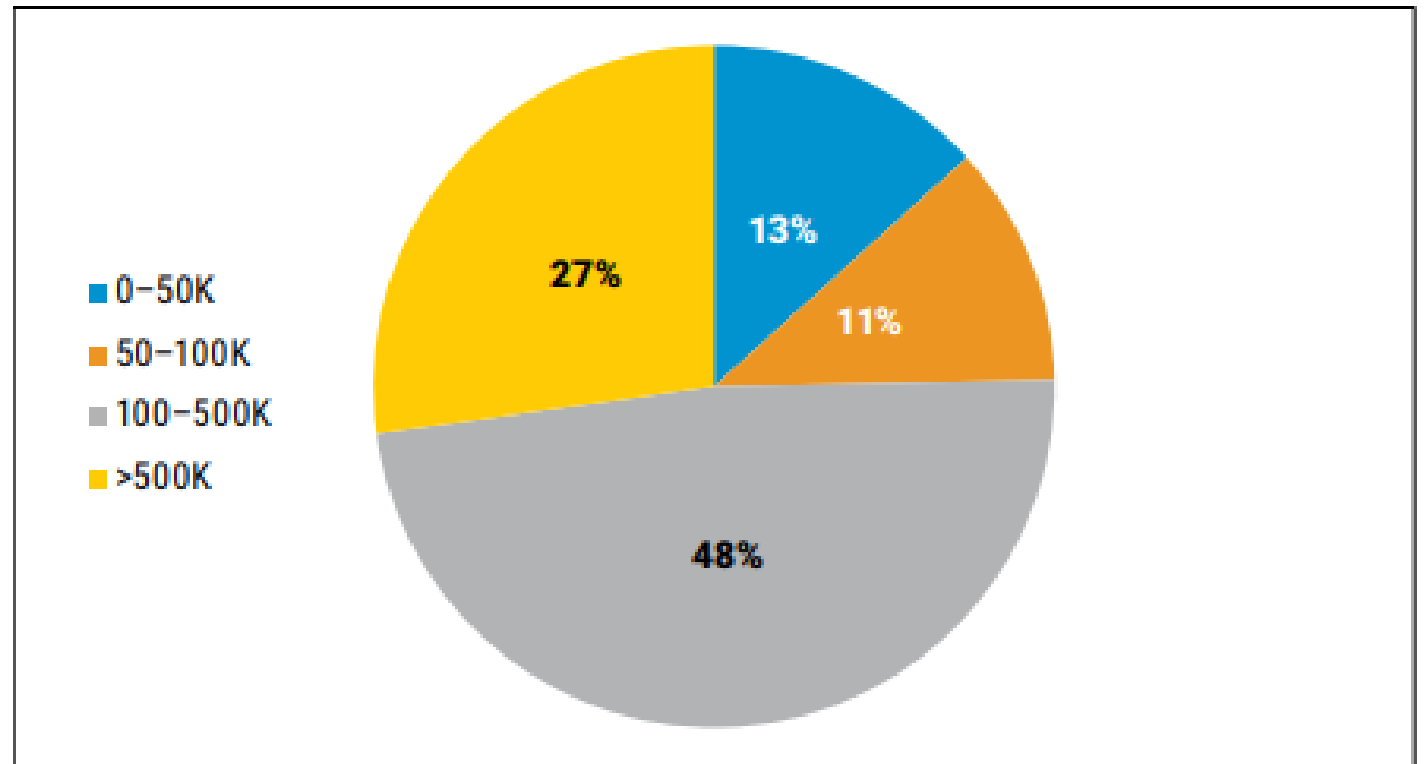


Figure 4 2021 utility participation by population served

Metrics Mindful

However, even when comparable data are collected, external comparisons are often not straightforward because numerous system-specific factors can influence the system performance. Important variables that may be outside of a utility's control include the following:

- Water sources
- Treatment requirements
- System age/materials
- Topography/environment
- Organizational vision and culture
- Historical and current strategic and operating plans
- Budget
- Customer base
- External service providers (electricity, gas, telecoms, etc.)
- Services from enterprise/corporate functions (finance, IT, HR, etc.)
- Regulations
- Governance
- Political environment

In addition, certain economic phenomena make utility-to-utility comparisons difficult and can influence the observed levels of performance. They include the following:

- Economies of scale (as system size increases, efficiency may improve)
- Economies of scope (diversification of services may lead to efficiencies)
- Economies of density (as population density increases, unit costs may decrease)

Staff Selected Metrics

- AWWA Metrics: 75% percentile
- Other Metrics
 - Revenue: Board Policy (2022)
 - Expenses: Board Policy (2022)
 - Days cash on hand: Board Policy (2019)
 - Debt-service coverage: Board Policy (2019)
 - Outstanding debt: Board Policy (2019)
 - System renewal & replacement: Board Policy (2019)

Water and Sewer Revenue

Exception

- Data to support the metric was not available

Countermeasure

- Ensure new Controller has tools and support to accomplish this task going forward

Water and Sewer Expenses

Exception

- Data to support the metric was not available

Countermeasure

- Ensure new Controller has tools and support to accomplish this task going forward

Ryan Kiser

Capital Improvement Projects Ontime /On Budget

Exception

- Continuing to identify the appropriate metric

Countermeasure

- Continue metric identification

Holly Edwards

All Customer Service Manager Metrics

Exception

- Currently, little data to support metrics and accuracy of data is an issue

Countermeasure

- New phone system, properly setup (including training) will allow accurate data to be collected

Ron Seay

Regulatory Compliance - Water

Exception

- In the Mendota system, samples nos. 810-30276-1 and 810-30276-2 collected on July 7, 2022, from the subject waterworks, the HAA5 result exceeded the maximum contaminant level (MCL) of 0.060 milligrams per liter (mg/L) and the TTHM result exceeded the MCL of 0.080 mg/L. The HAA5 result is 0.066 mg/L and the TTHM result is 0.088 mg/L.

Countermeasure

- Evaluate the Mendota water distribution system for improved water flushing
- Engage the Scott County Public Service Authority regarding water quality

Hydrants Out-of-Service

Exception

- 14 of 1,738 hydrants are out of service or 0.8%
- 5 are waiting on repair parts
- 4 are due to low flow
- 5 are due to high flow

Countermeasure

- Repair parts lead time is 22 weeks – due Oct./Nov.
- Review Hydraulic study & verify valve settings
- Add metal tags showing the max. flow & throttle valve

Non-capacity Sewer Overflow Rate (per 100 miles of pipe)

Exception

- Two overflows Cardinal Lane & Abingdon Steel
- Goal 0.8 75th percentile / 1.3 64th percentile

Countermeasure

- Black snake caused high voltage fuse on the pole to drop out – transfer switch failed to switch to standby generator – validating root cause
- Regional Jail experiencing backup - had a contractor working the issue. Jail blockage removed caused overflow – evaluating options to increase wet well volume or system flow rate.



Fire Hydrants

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Fire Hydrant Drive

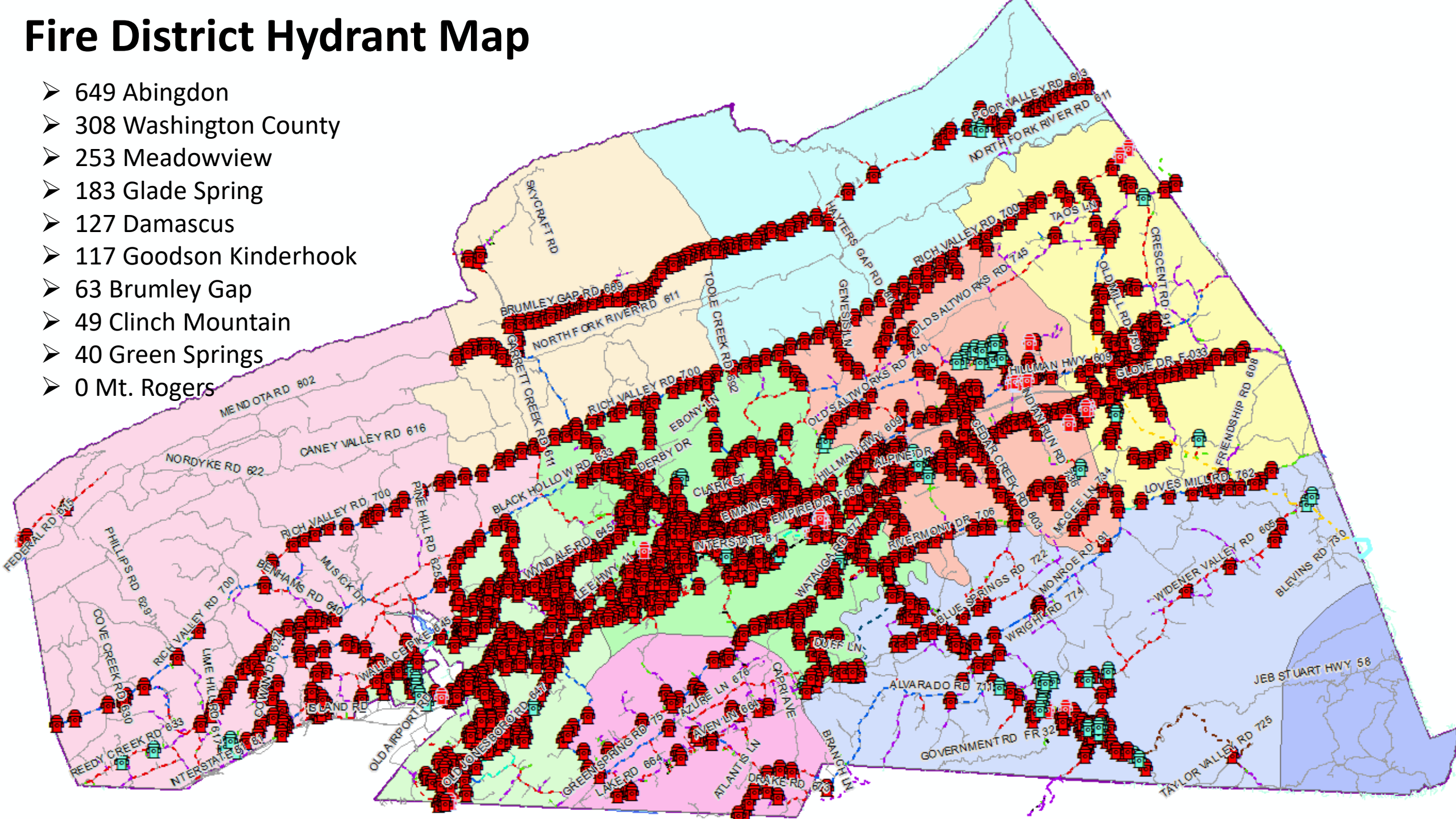


- Our Journey

- 905 January 1, 2009
- 1,742 August 1, 2022
- 190% increase over 13 years
- Largely from Galvanized Line Project
- Began inspecting all hydrants every five-years circa 2014

Fire District Hydrant Map

- 649 Abingdon
- 308 Washington County
- 253 Meadowview
- 183 Glade Spring
- 127 Damascus
- 117 Goodson Kinderhook
- 63 Brumley Gap
- 49 Clinch Mountain
- 40 Green Springs
- 0 Mt. Rogers





Fire Hydrant Addition Program

- The burning question, is there interest in amending the policy?
- If yes, what are the Boards thoughts and ideas about how to structure it?
- Annual allocation of hydrants?
 - Upon request...
 - First-come-first-serve...
 - Case-by-case...
 - By fire district...
 - By magisterial district...
 - Fire department involvement...



FY 2020, 2021,
and *2022
Financial
Performance
and
FY 2021 Audit

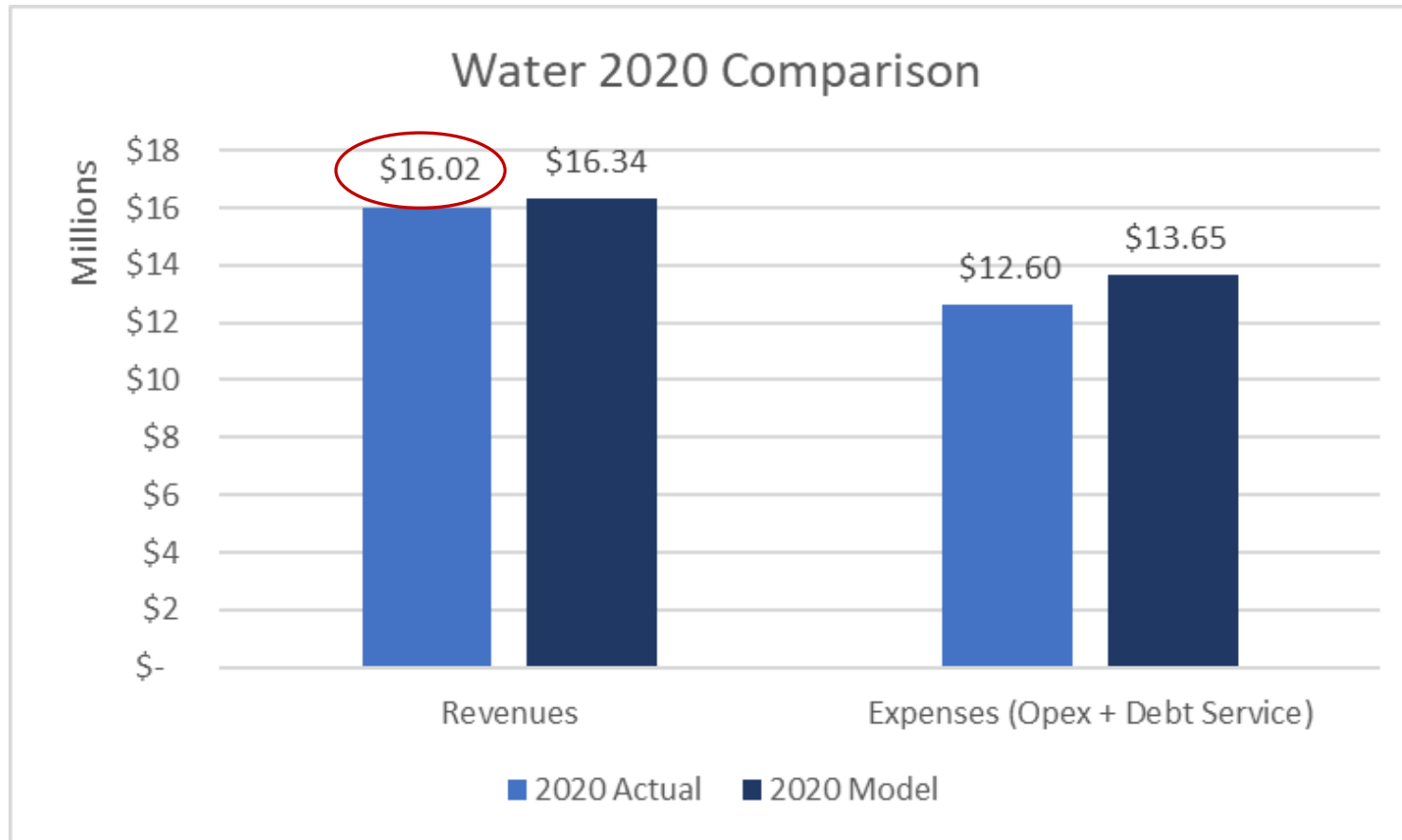
AUGUST 22, 2022

Included and Excluded

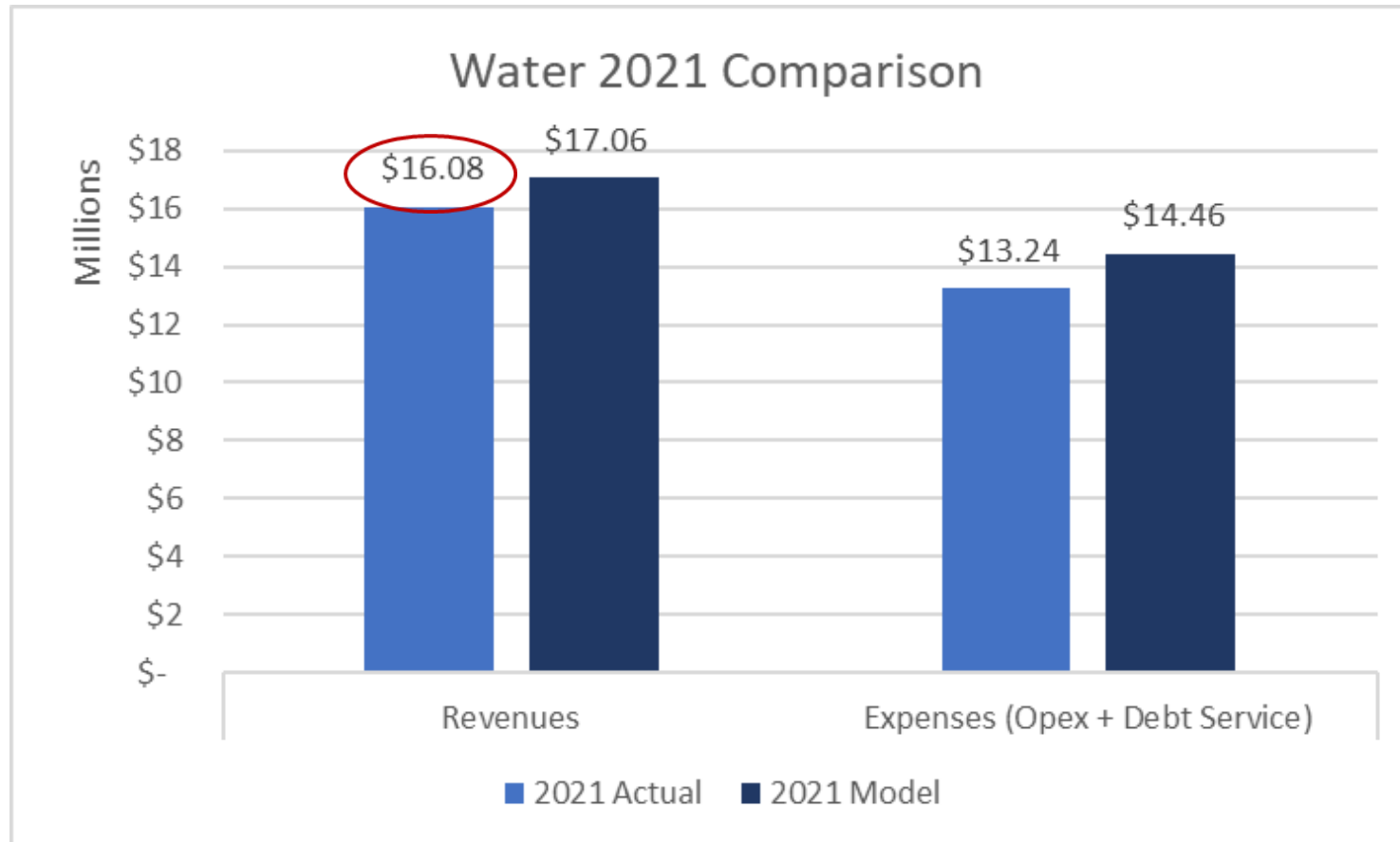
- **Included** is all revenue, department expenses and principal & interest (debt service)
- **Excluded** is depreciation and capital
 - As proposed earlier, the Rate Model should be updated this fall to true-up capital to include
 - Galvanized Line cost overrun (~\$12 million)
 - Meter Replacement cost overrun (~\$2 million)
- By waiting till this fall to update the Rate Model, we will have a year's experience with the new meters, and can update revenue to account for any improvements as a result of the Meter Replacement Project

The Rate Model is a financial planning tool developed in 2019 to project revenue and expenses for five years (2020-2024) and was used to establish customer rates over the same period

2020 Water Revenue & Expenses



2021 Water Revenue & Expenses



2022 Water Revenue & Expenses

- **FY2022 is in the closing phase**

- Closing in September 2022 is our goal

- Audit scheduled for Jan 2023; sooner if someone drops out and we are ready

2020 Sewer Revenue & Expenses



2021 Sewer Revenue & Expenses



2022 Sewer Revenue & Expenses

- **FY2022 is in the closing phase**

- Closing in September 2022 is our goal

- Audit scheduled for Jan 2023; sooner if someone drops out and we are ready

FY2021 Audit Highlights

- Thank you, Chairman Campbell, for participating in a meeting with the Auditor to review the audit
- \$20,864,040 (14.46%) increase in total assets
- \$23,426,143 (\$23.1 water and \$0.2 sewer) invested in capital projects
- \$2,137,751 (12.08%) increase in unrestricted cash and cash equivalents
- \$18,170,914 (22.26%) increase in total liabilities
- \$95,593,078 total combined long-term debt (\$86,694,206 water fund and \$8,898,872 sewer fund)
 - **Remember:** approximately \$15,000,000 increase in long-term debt within two-years

FY2021 Audit Highlights

➤ Summary Schedule of Prior Audit Findings

- **2020-01:** An auditee should have controls in place to prepare financial statements in accordance with current reporting standards. Identification of significant adjustments to the financial statements that were not detected by the entity's internal controls indicates that a significant deficiency exists.

➤ Schedule of Findings and Questioned Cost

- **2021-01:** An auditee should have controls in place to prepare financial statements in accordance with current reporting standards. Identification of significant adjustments to the financial statements that were not detected by the entity's internal controls indicates that a significant deficiency exists.
- **2021-02:** Bank reconciliations should be prepared in a timely manner each month and reviewed by someone outside of the collecting or disbursing functions. The bank reconciliations should be reconciled to the ledger and any discrepancies should be investigated.

- Each were addressed with staff and the Controller

Looking Ahead

➤ Controls

➤ Controller to

- Develop
- Train
- Implement
- Audit
- Stable Results
- GM to audit

➤ Bank reconciliations are prepared by a Staff Accountant and, as part of our Standard Work, will be reviewed/approved by Controller and audited by the GM



WCSA Health Plan Performance

Shawn Blevins

Performance Indicators

- Plan experienced a 0.66% decrease over 8 years
- Improved employee benefits
 - 2014 - \$1,000 Deductible / \$3,500 Out of Pocket Max
 - 2015 to Current - \$250 Deductible / \$2,500 Out of Pocket Max
- Pharmacy spend went from a high of 52.28% (fully insured) to a low of 15% (level funded) of total health plan costs. National average is 37%.
- A total of \$851,357.67 to date has been returned in Aggregate funds (Surplus)

Renewal Recommendation

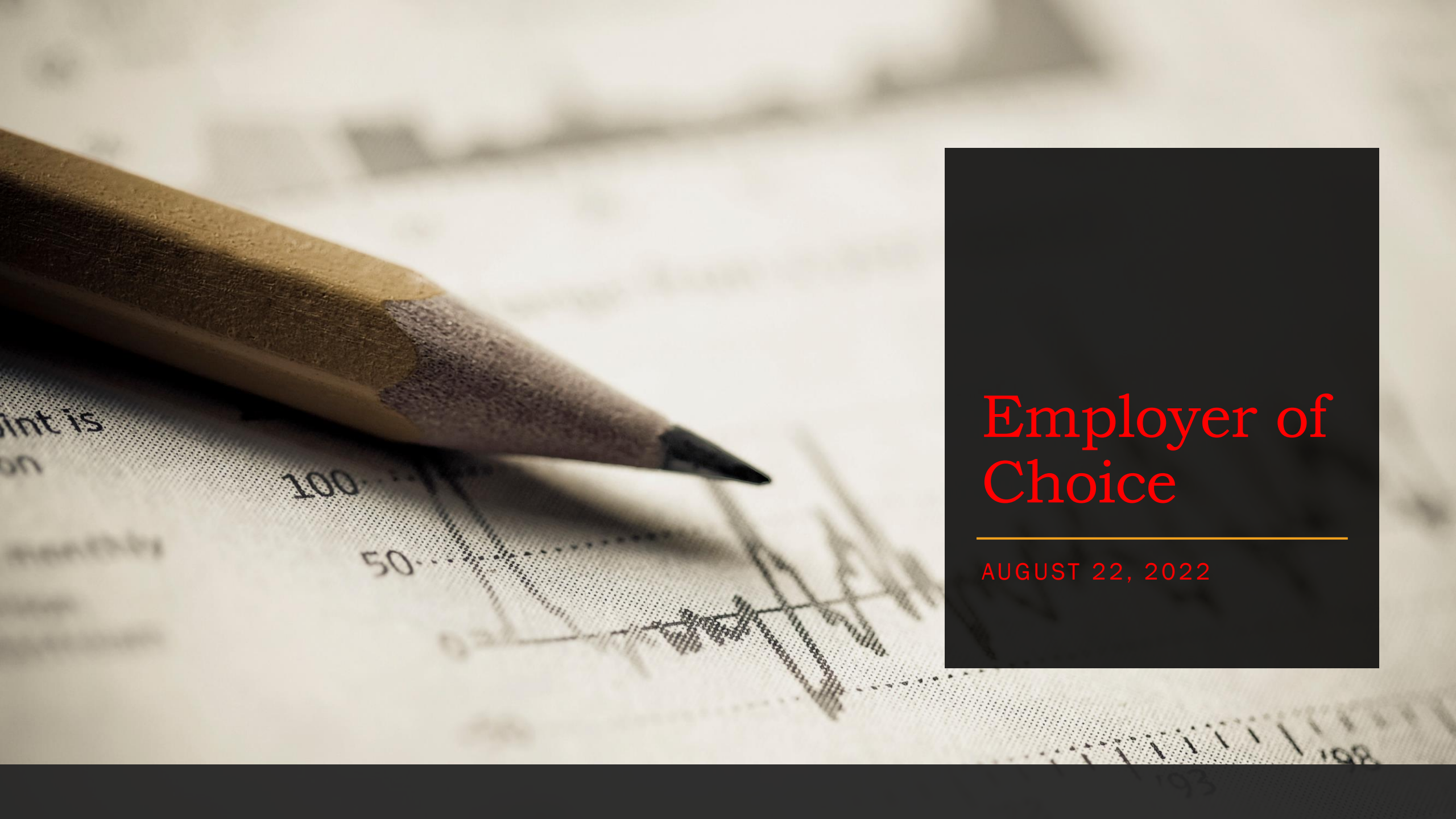
- Received fully insured quotes from United Healthcare and Anthem in addition to Level Funded Renewal with 90 Degree Benefits
 - Anthem **\$1,395,670.80** (Total Annual Premium) No Surplus
 - UHC **\$1,336,693.80** (Total Annual Premium) No Surplus
 - 90 Degree **\$1,473,315.84** (Worst Case Scenario)
 - Budgeted 10% increase from last year to this year vs actual increase of .28% from last year to this year not including surplus
 - Based on 2021 Plan Performance, estimated to receive **\$265,750.98** Surplus (through July Claims)
 - $\$1,473,315.84 - \$265,750.98$ (similar to 2022) = **\$1,207,564.86** (90 Degree)
 - Total surplus of $\$851,357.67 + \$265,750.98 = \$1,117,108.65$
 - Anthem flat no increase
 - VSP flat no increase

Renewal Recommendation

Remain with 90 Degree Benefits (Level Funded)

Remain with Anthem (dental)

Remain with VSP (vision)

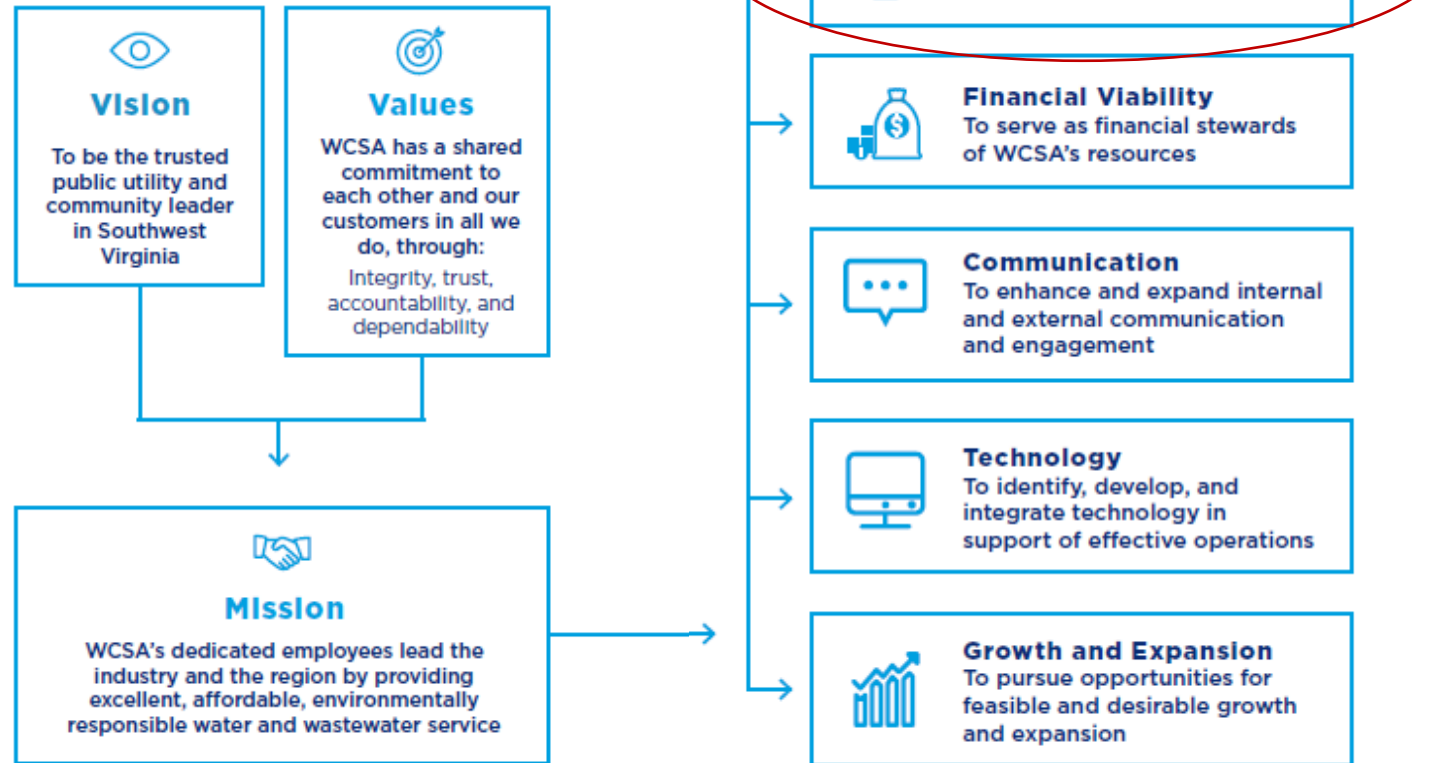


Employer of Choice

AUGUST 22, 2022

Strategic Plan

STRATEGIC FRAMEWORK



Employee Survey & Process

1. Survey all employees by department (100% anonymous) ✓
 - 64 Questions employees will have the opportunity to grade each with a response from A-F
 - Score of D or F will need a brief explanation
 - Categories of Questions
 - ✓ Communication and Involvement
 - ✓ WCSA Culture and Image
 - ✓ Supervisor Satisfaction
 - ✓ Individual Satisfaction
 - ✓ Safety Culture
2. Review Results ✓
3. Organize focus groups for additional insight
4. Create an action plan for improvement areas
5. Assessment tool assists with developing our leaders

Results

1. Maintenance Overall (C)

1. Communication and Involvement (C)
2. WCSA Culture and Image (C)
3. Satisfaction with my Supervisor (C)
4. Individual Satisfaction (B)
5. Safety Culture (B)

2. Water Reclamation Overall (A)

1. Communication and Involvement (A)
2. WCSA Culture and Image (A)
3. Satisfaction with my Supervisor (A)
4. Individual Satisfaction (A)
5. Safety Culture (A)

1. Water Production Overall (B)

1. Communication and Involvement (B)
2. WCSA Culture and Image (B)
3. Satisfaction with my Supervisor (A)
4. Individual Satisfaction (A)
5. Safety Culture (A)

2. Customer Service Overall (C)

1. Communication and Involvement (C)
2. WCSA Culture and Image (C)
3. Satisfaction with my Supervisor (C)
4. Individual Satisfaction (B)
5. Safety Culture (C)

1. Administration Overall (B)

1. Communication and Involvement (B)
2. WCSA Culture and Image (B)
3. Satisfaction with my Supervisor (B)
4. Individual Satisfaction (B)
5. Safety Culture (B)

2. WCSA Overall (B)

1. Communication and Involvement (B)
2. WCSA Culture and Image (B)
3. Satisfaction with my Supervisor (A)
4. Individual Satisfaction (B)
5. Safety Culture (A)

Opportunities (D or F)

1. Maintenance

1. Communication and Involvement

1. The WCSA video message board keeps me well informed about important WCSA news, events, and activities.

2. WCSA Culture and Image

1. WCSA focuses on developing people and helping them grow professionally.

2. Water Production

1. Communication and Involvement

1. The WCSA video message board keeps me well informed about important WCSA news, events, and activities.

3. Customer Service

1. Communication and Involvement

1. Communication between departments is well coordinated.
2. People protect the absent; they don't talk about others when they are not present.
3. The right people are involved in company meetings and initiatives.
4. I am involved in the goal setting process for my performance appraisal.

2. WCSA Culture and Image

1. When big decisions are to be made, the people affected are asked for their ideas and input.

Next Steps

1. Organize Employee Focus Groups (5-7)
 1. Validate the results for the areas of opportunity (utilize comments)
 2. Work as a collaborative team to identify solutions (create action plans)
 3. Implement solutions
 4. Determine solution effectiveness by resurveying the areas of opportunity

Physical Requirements

- Identify a properly credentialed professional to understand what we do and to use this information to improve the job description and to develop preemployment, return-to-work, and routine physicals
- Goal is to ensure employees are not in situations where they have a high probability of injuring themselves or others
 - Example: Someone's job requires them to climb a ladder but through one of the physical tests, we learn they are unable to perform this task



In the Pipe

Monthly meeting at:

- Maintenance,
- Middle Fork Drinking Water Plant,
- Hall Creek Water Reclamation, and
- Administrative Office

Led by the Leadership Team

- Controller
- Customer Service Manager
- Operations Manager
- Human Resource Manager
- General Manager
- Engineering

What is “In the Pipe” and Why?

A time to:

- Share results from improvement efforts undertaken
- Solicit questions, concerns and feedback from you

Begin to bridge two-years social distancing

Do a better job of sharing things that are being worked on (in the pipe) across the company

Currently plan to use the Strategic Plan as the framework for “In the Pipe”

Compensation & Benefit Survey

- Request for Proposals issued Sunday, August 21, 2022
- Employee Focus Group to help facilitate the survey, results, and recommendations
- *Employer of Choice*
 - *To recruit, develop, and retain a best-in-class team*



Questions

