

Washington County Service Authority Board of Commissioners
March 27, 2023 Regular Board Meeting Minutes

Agenda Item: 1	Call the Meeting to Order
Presenter(s):	Chairman
End Time:	5:59 pm

Agenda Item: 2	Roll Call
Presenter(s):	Chairman
Present:	Mr. Campbell, Mr. Hutchinson, Mrs. C. Miller, Mr. Taylor, Mr. Thayer, and Mr. D. Miller
Absent:	Mr. Hutton
End Time:	6:00 pm

Agenda Item: 3	Prayer and Pledge of Allegiance
Presenter(s):	Mrs. C. Miller opened the meeting in prayer and led the Pledge of Allegiance.
Beginning Time:	6:00 pm
End Time:	6:01 pm

Agenda Item: 4	Approval of the Amended Agenda
Presenter(s):	Chairman
Beginning Time:	6:01 pm
Potential Conflict(s) of Interest and Abstention(s):	None
Discussion:	None
On the Record:	None
Actual Motion:	Motion to approve the Amended Agenda as presented.
Motion By:	Mr. Taylor
	Mr. Thayer
Voting:	Ayes: 6
	Nays: 0
	Abstain: 0
End Time:	6:01 pm

Agenda Item: 5	Public Query and Comment
Presenter(s):	Chairman
Beginning Time:	6:01 pm

Washington County Service Authority Board of Commissioners
March 27, 2023 Regular Board Meeting Minutes

Potential Conflict(s) of Interest and Abstention(s):	None
Speakers:	None
Discussion:	None
On the Record:	None
Actual Motion:	None
Motion By:	
Second By:	
Voting:	Ayes:
	Nays:
	Abstain:
End Time:	6:02 pm

Agenda Item: 6	Approval of the Consent Agenda
Presenter(s):	Chairman
Beginning Time:	6:02 pm
Potential Conflict(s) of Interest and Abstention(s):	None
Discussion:	None
On the Record:	Mr. Campbell recognized Jason Mitchell and Chris Childress for their 5 years of service.
Actual Motion:	Motion to approve the consent agenda.
Motion By:	Mr. D. Miller
Second By:	Mr. C. Miller
Voting:	Ayes: 6
	Nays: 0
	Abstain: 0
End Time:	6:02 pm

Agenda Item: 7	General Manager Report and Update
Presenter(s):	Acting General Manager
Beginning Time:	6:03 pm
Potential Conflict(s) of Interest and Abstention(s):	None
Discussion:	Mr. Seay reviewed the attached presentation.
On the Record:	None
Recommendations:	None

Washington County Service Authority Board of Commissioners
March 27, 2023 Regular Board Meeting Minutes

Proposed Motion:	None
Actual Motion:	None
Motion By:	
Second By:	
Voting:	Ayes:
	Nays:
	Abstain:
End Time:	6:22 pm

Agenda Item: 8	Financial Report and Update
Presenter(s):	Controller
Beginning Time:	6:22 pm
Potential Conflict(s) of Interest and Abstention(s):	None
Discussion:	Mr. Gilbert discussed the attached financial slides.
On the Record:	Mr. Gilbert will schedule Ms. Viers of Robinson Farmer and Cox to present the findings of the 2022 audit to the Board.
Recommendations:	None
Proposed Motion:	None
Actual Motion:	None
Motion By:	
Second By:	
Voting:	Ayes:
	Nays:
	Abstain:
End Time:	6:45 pm

Agenda Item: 9	Engineering Report/Construction Projects Update
Presenter(s):	Engineering Manager
Beginning Time:	6:45 pm
Potential Conflict(s) of Interest and Abstention(s):	None
Discussion:	Mr. Kiser reviewed the information attached.
On the Record:	Mr. Kiser said DEQ asked WCSA for a letter of acceptance for the 8.5 million in funds from DEQ. The Board agreed to accept the funding and provide DEQ with a letter of acceptance.
Recommendation:	None
Proposed Motion:	None

Washington County Service Authority Board of Commissioners
March 27, 2023 Regular Board Meeting Minutes

Actual Motion:	None
Motion By:	
Second By:	
Voting:	Ayes:
	Nays:
	Abstain:
End Time:	7:09 pm

Agenda Item: 10	Customer Service Report and Update
Presenter(s):	Customer Service Manager
Beginning Time:	7:10 pm
Potential Conflict(s) of Interest and Abstention(s):	None
Discussion:	Mrs. Edwards presented the attached phone report.
On the Record:	Mr. D. Miller asked that the Board be made aware before letters were sent to customers and requested talking points on the letter sent to WCSA customers on the notice of violation.
Recommendation:	None
Proposed Motion	None
Actual Motion:	None
Motion By:	
Second By:	
Voting:	Ayes:
	Nays:
	Abstain:
End Time:	7:21 pm

Agenda Item: 11	Human Resources Report and Update
Presenter(s):	Human Resources Manager
Beginning Time:	7:21 pm
Potential Conflict(s) of Interest and Abstention(s):	None
Discussion:	Mr. Blevins discussed the attached slide with the Board.
On the Record:	None
Recommendation:	None
Proposed Motion:	None
Actual Motion:	None

Washington County Service Authority Board of Commissioners
March 27, 2023 Regular Board Meeting Minutes

Motion By:	
Second By:	
Voting:	Ayes:
	Nays:
	Abstain:
End Time:	7:32 pm

Agenda Item: 12	Consideration to Elect the Office of Secretary
Presenter(s):	Chairman
Beginning Time:	7:32 pm
Potential Conflict(s) of Interest and Abstention(s):	None
Background:	<p>As stated in Article III, Section 2 of WCSA's By-laws: The officers of the Service Authority shall be a Chairman, Vice-Chairman, a Secretary, an Assistant Secretary and Treasurer. The Chairman and Vice-Chairman shall be members of the Board. Except as may be unanimously approved by the entire Board, no member of the Board may serve more than two consecutive terms as Chairman. The office of Secretary, Assistant Secretary and Treasurer need not be held by members of the Board. The office of Secretary and Treasurer may be combined. The officers of the Authority shall be elected annually at the annual meeting of the Board and shall hold office until their successors are elected. Any vacancy in any office shall be filled by the Board for the remaining unexpired term of said office. Duties of said officers shall be the duties generally delegated to such officers, and as directed from time to time by the Board.</p> <p>Currently, the officers are as follows:</p> <ul style="list-style-type: none"> • Chairman, Wayne Campbell • Vice Chairman, Dwain Miller • Assistant Secretary, Carol Ann Shaffer • Treasurer, Dwain Gilbert <p>The office of Secretary was made vacant in November 2022.</p>
Discussion:	Mr. Campbell recommended Ron Seay be Secretary as he is Acting General Manager.
On the Record:	None
Recommendation:	At the discretion of the Board.
Proposed Motion:	None
Actual Motion:	Motion to appoint Ron Seay as acting Secretary.
Motion By:	Mrs. C. Miller
Second By:	Mr. Thayer
Voting:	Ayes: 6

Washington County Service Authority Board of Commissioners
March 27, 2023 Regular Board Meeting Minutes

Nays:	0
Abstain:	0
End Time:	7:36 pm

Agenda Item: 13	Consideration of Hours Worked for Overtime Purposes
Presenter(s):	Acting General Manager
Beginning Time:	7:36 pm
Potential Conflict(s) of Interest and Abstention(s):	None
Background:	<p>Currently holiday and bereavement hours are considered hours worked and count toward overtime calculation. With our current headcount we are paying out overtime for holiday and bereavement hours in the order of \$75,000 annually.</p> <p>This request is to align WCSA with best business practices. As we currently do not count vacation and sick time hours as hours worked toward overtime calculation.</p> <p>This change will be effective April 1, 2023.</p>
Discussion:	Mr. Seay discussed the information above.
On the Record:	None
Recommendation:	Subject to answering any questions the Board may have, Staff recommends the Board favorably consider approving the pay rule change for holiday and bereavement hours from being counted as hours worked toward the calculation of overtime to not counting holiday and bereavement hours as hours worked toward overtime calculation.
Proposed Motion:	Move that the Board approve the pay rule change for holiday and bereavement hours from being counted as hours worked toward the calculation of overtime to not counting holiday and bereavement hours as hours worked toward overtime calculation.
Actual Motion:	Move that the Board approve the pay rule change for holiday and bereavement hours from being counted as hours worked toward the calculation of overtime to not counting holiday and bereavement hours as hours worked toward overtime calculation.
Motion By:	Mr. Thayer
Second By:	Mr. Hutchinson
Voting:	
Ayes:	6
Nays:	0
Abstain:	0
End Time:	7:48 pm

Washington County Service Authority Board of Commissioners
March 27, 2023 Regular Board Meeting Minutes

Agenda Item: 14	Consideration of Good Friday as a Paid Holiday
Presenter(s):	Acting General Manager
Beginning Time:	7:48 pm
Potential Conflict(s) of Interest and Abstention(s):	None
Background:	<p>The holidays for WCSA employees are the same days that the Governor of Virginia designates as holidays for Virginia state employees.</p> <p>The Washington County Board of Supervisors approved adding Good Friday, (the Friday before Easter), as a Holiday for all County administrative offices.</p> <p>In consideration for the approved change for holiday and bereavement hours not counting as hours worked toward overtime calculation and in consideration that the Washington County Board of Supervisors has approved adding Good Friday as a holiday the Staff ask the Board to consider adding Good Friday as a WCSA holiday.</p> <p>This change will be effective April 1, 2023.</p>
Discussion:	Mr. Seay reviewed the above information with the Board.
On the Record:	None
Recommendation:	Subject to answering any questions the Board may have, Staff recommends the Board favorably consider approving adding Good Friday as a WCSA Holiday.
Proposed Motion:	Move the Board approve adding Good Friday as a WCSA Holiday.
Actual Motion:	Move the Board approve adding Good Friday as a WCSA Holiday.
Motion By:	Mr. Hutchinson
Second By:	Mrs. C. Miller
Voting:	Ayes: 6
	Nays: 0
	Abstain: 0
End Time:	7:48 pm

Agenda Item: 15	Consideration of Rural Development Loan Resolution and Resolution of Governing Body for the Lee Highway Corridor Sewer Improvements Project
Presenter(s):	Controller / Engineering Manager
Beginning Time:	7:49 pm
Potential Conflict(s) of Interest and Abstention(s):	None
Background:	The Lee Highway Corridor Sewer Improvements Project includes (4) pump stations; approximately 41,220 LF of 3", 8", and 10" sewer forcemain; 32,221

Washington County Service Authority Board of Commissioners
March 27, 2023 Regular Board Meeting Minutes

	<p>LF of 8", 10", and 15" gravity sewer lines; 150 manholes; 1,847 LF of gravity sewer/forcemain road crossings; stream crossings and other related appurtenances.</p> <p>The WCSA has secured partial funding for the project from USDA Rural Development in the amount of a \$9,355,000 loan and a \$9,165,000 grant. The loan will be scheduled for repayment over a period of 40 years. The payments the first 12 months will consist of interest only and will be paid annually on the first anniversary of the bond. Payments for the remaining 468 months will be equal amortized monthly installments. The current interest rate for the loan is 2.375% with a monthly payment of \$30,685.00.</p> <p>Prior to each loan closing, Rural Development requires that WCSA authorize individuals who will be empowered to sign the loan closing documents. The attached Resolution of Governing Body establishes who at WCSA is authorized to execute the loan closing documents for the upcoming Lee Highway Sewer Improvements Project. In the past, the Chairman and Secretary have been designated as the person authorized to execute the loan closing documents.</p>
Discussion:	Mr. Gilbert discussed the above information.
On the Record:	None
Recommendation:	Subject to answering any questions the Board may have, Staff recommends the Board favorably consider approving the Rural development Loan Resolution and Resolution of Governing Body.
Proposed Motion:	Move the Board approve the Rural Development Loan Resolution and Resolution of Governing Body.
Actual Motion:	Move the Board approve the Rural Development Loan Resolution and Resolution of Governing Body.
Motion By:	Mr. D. Miller
Second By:	Mr. Thayer
Voting:	
Ayes:	6
Nays:	0
Abstain:	0
End Time:	7:52 pm

Agenda Item: 16	Consideration of Disconnect Policy
Presenter(s):	Acting General Manager / Customer Service Manager
Beginning Time:	7:52 pm
Potential Conflict(s) of Interest and Abstention(s):	None
Background:	<i>2. Service Disconnection and Restoration</i>

Washington County Service Authority Board of Commissioners
March 27, 2023 Regular Board Meeting Minutes

a) Discontinued service is defined as a period of time in which there has been no consumption or payment activity on an account, typically due to a request to discontinue service from the account holder or service termination by the Service Authority. Water service may be discontinued due to customer request or account delinquency.

b) Service may be reinstated if none of the conditions under Refusal of Service exist.

c) Requests for same day service restoration will be accepted Monday through Friday from ~~7:00am~~ 8:00am. to 5:00 p.m. **WCSA will warrant service restoration within 24 hours of the next business day.** Requests made after the designated times will be performed the following business day **WCSA will warrant service restoration within 24 hours of the next business day.** The cost-of-service restoration after disconnection for non-payment is covered under the Non-Payment Penalty. It is the customer's responsibility to ensure payment has been received by the Service Authority.

d) Customers who make a payment to initiate service restoration by mail, online, or drop box must contact the Service Authority for prompt attention.

e) For assistance, customers can contact:
Customer Service Department at 276-628-7151:
Monday through Friday ~~7:00am~~ 8:00am. – 5:00 p.m.

f) In order to prevent potential flooding when service is restored, it is the customer's responsibility to ensure that all faucets/spigots are turned "off" and all plumbing is in proper working condition. To prevent property damage, when the Service Authority restores service, if the meter indicates continuous flow, the Service Authority may, in its best judgment, turn the water "off". If turned "off", this will require the customer to again ensure that all faucets/spigots are turned "off" and again contact the Service Authority to restore service. If the Service Authority is required to make more than two trips to restore service, additional service fees will be assessed.

3. Accounts Discontinued for Non-Payment

a) Accounts discontinued for non-payment shall be turned "off" at the meter and may be locked or removed. If an account remains unpaid after service disconnection for non-payment and there is no water usage noted on the subsequent meter reading, the meter may be locked or removed, the account closed and the account will be final billed. If water consumption is noted on the meter reading following disconnection of service, the meter will be locked or pulled, and an unauthorized use fee will be assessed. The entire account balance is due and must be paid in full prior to Service Restoration or service can be attained at another location.

Washington County Service Authority Board of Commissioners
March 27, 2023 Regular Board Meeting Minutes

	This change will be effective April 1, 2023.
Discussion:	Ron Seay and Holly Edwards discussed the information above. Adding information on the WCSA website conveying the new disconnect policy to restore service within 24 hours of the next business day to turn water back on after cutoff for non-payment was suggested.
On the Record:	None
Recommendation:	Subject to answering any questions the Board may have, Staff recommends the Board favorably consider approving amendment to the current Disconnect Policy.
Proposed Motion:	Move the Board approve to amend the current Disconnect Policy such that WCSA will warrant service restoration within 24 hours of the next business day to turn water back on after cutoff for non-payment.
Actual Motion:	Motion to amend the current Disconnect Policy such that WCSA will warrant service restoration within 24 hours of the next business day to turn water back on after cutoff for non-payment.
Motion By:	Mr. Hutchinson
Second By:	Mrs. C. Miller
Voting:	Ayes: 6
	Nays: 0
	Abstain: 0
End Time:	8:00 pm

Agenda Item: 17	Consideration of Commissioner's Comments
Presenter(s):	Chairman
Beginning Time:	8:00 pm
Potential Conflict(s) of Interest and Abstention(s):	None
Background:	None
Discussion:	Mr. Thayer expressed his appreciation for the financial updates. Mr. Campbell asked about the sale of the residual property Loves Pump Station Glenbrook Avenue. Mr. Kiser recommended the authority investigate easements to determine if WCSA's lines are on the property. WCSA will determine whether to proceed with the sale of the property and talk with legal counsel about proper selling procedures. On behalf of the Board, Mr. Taylor voiced his appreciation to those who handle the applications for grant funding. Mr. Hutchinson thanked Bobby Gobble and Ryan Kiser for having two employees in their respective departments attend tonight's meeting. Staff reported the WCSA phone number listed on Google has been corrected.
On the Record:	None

**Washington County Service Authority Board of Commissioners
March 27, 2023 Regular Board Meeting Minutes**

Recommendation:	None
Proposed Motion:	None
Actual Motion:	None
Motion By:	
Second By:	
Voting:	Ayes:
	Nays:
	Abstain:
End Time:	8:07 pm

Agenda Item: 18	Closed Meeting
Presenter(s):	Commissioner
Beginning Time:	8:07 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:	Mrs. C. Miller
Voting:	Ayes: 6
	Nays: 0
	Abstain: 0
Discussion:	In addition to Ron Seay, and Ryan Kiser, Mr. Seay requested the attendance of Holly Edwards, Dwain Gilbert, and Shawn Blevins in closed meeting.
Actual Motion:	Motion that Holly Edwards, Dwain Gilbert, and Shawn Blevins be included in closed meeting.
Motion By:	Mr. Hutchinson
Second By:	Mr. Taylor
Voting:	Ayes: 6
	Nays: 0
	Abstain: 0
End Time:	8:09 pm

WASHINGTON COUNTY SERVICE AUTHORITY
REGULAR BOARD MEETING
March 27, 2023
Agenda Item 18
CLOSED MEETING MOTION

Mr. D. Miller moves that the Board move to closed meeting for the purposes of:

Washington County Service Authority Board of Commissioners
March 27, 2023 Regular Board Meeting Minutes

1. Discussion or consideration of the investment of public funds, where competition or bargaining is involved, where, if made public initially, the financial interest of the governmental unit would be adversely affected, as provided in Code of Virginia § 2.2-3711(A)(6).
2. Consultation with legal counsel employed or retained by the Authority regarding specific legal matters requiring the provision of legal advice by such counsel, as provided in Code of Virginia § 2.2-3711(A)(8).

I also move that the Board request the attendance of Ron Seay, and Mark Lawson at closed meeting.

Movant: D. Miller

Second: Mrs. C. Miller

Vote: 6-0

Agenda Item: 19	Return to Open Meeting
Presenter(s):	Commissioner
Beginning Time:	8:58 pm
Potential Conflict(s) of Interest and Abstention(s):	None
On the Record:	None
Actual Motion:	Return to open meeting.
Motion By:	Mr. D. Miller
Second By:	Mr. Thayer
Voting:	
Ayes:	6
Nays:	0
Abstain:	0
End Time:	8:58 pm

Agenda Item 19
RETURN TO OPEN MEETING MOTION

I request that the Board return to open meeting and that each Board member certify that only public business matters lawfully exempted from open meeting requirements were heard, discussed, or considered in closed meeting, and that such certification be recorded in the Board's minutes.

Movant: Mr. D. Miller

Second: Mr. Thayer

Roll Call:

<u>Commissioner</u>	<u>Certification (Yes/No)</u>
Mr. Campbell	Yes
Mr. Hutton	Absent
Mr. Hutchinson	Yes
Mrs. C. Miller	Yes
Mr. Taylor	Yes
Mr. Thayer	Yes
Mr. D. Miller	Yes

**Washington County Service Authority Board of Commissioners
March 27, 2023 Regular Board Meeting Minutes**

Agenda Item: 20 A	Late Items
Presenter(s):	Commissioner
Beginning Time:	8:58 pm
Potential Conflict(s) of Interest and Abstention(s):	None
On the Record:	None
Discussion:	None
Actual Motion:	Motion to approve interim financing through First Bank and Trust at the negotiated rate for the Lee Highway Sewer Project.
Motion By:	Mr. D. Miller
Second By:	Mr. Hutchinson
Voting:	Ayes: 6
	Nays: 0
	Abstain: 0
End Time:	8:59 pm

Agenda Item: 20 B	Late Items
Presenter(s):	Commissioner
Beginning Time:	8:59 pm
Potential Conflict(s) of Interest and Abstention(s):	None
Discussion:	<p>Mr. Campbell reported on the General Manager Hiring Committee Meeting held on March 21st. During the meeting, the committee discussed ideal qualifications of a General Manager. The committee plans to meet monthly. Mr. Campbell thought it best to advertise for the General Manager position after the internal audit investigation was completed.</p> <p>Mr. Hutchinson said the committee needs to be deliberate and methodical in the process of hiring the new General Manager.</p>
On the Record:	None
Actual Motion:	None
Motion By:	
Second By:	
Voting:	Ayes:
	Nays:
	Abstain:
End Time:	9:05 pm

**Washington County Service Authority Board of Commissioners
March 27, 2023 Regular Board Meeting Minutes**

Agenda Item: 21	Adjourn
Presenter(s):	Commissioner
Beginning Time:	9:05 pm
Potential Conflict(s) of Interest and Abstention(s):	None
Discussion:	None
On the Record:	None
Actual Motion:	Motion to adjourn.
Motion By:	Mr. Taylor
Second By:	Mr. Thayer
Voting:	Ayes: 6
	Nays: 0
	Abstain: 0
End Time:	9:05 pm



Wayne Campbell, Chairman



Carol Ann Shaffer, Assistant Secretary

Washington County Service Authority



Business Update

All Employee Meeting

February All Employee Meetings

1. Shared Business update with all employees
2. Fresh outlook from the leadership team to install trust and respect
3. Open communication on site with our people & open-door policy
4. Building a culture of teamwork, open feedback, and honesty

Response from our People:

People were engaged and listening

The Staff got positive comments about our Cultural Beliefs

Conducting business “above the line”.

People are happy and smiling – appreciated the communication

General feeling of teamwork and trust

Our Cultural Beliefs

CUSTOMER FIRST

I deliver exceptional customer experience

EVERYONE MATTERS

I collaborate across the enterprise with trust and respect

OWN IT

I act to drive and execute our strategy

BE BOLD

I make courageous and informed decisions with speed while managing risk

FOCUS NOW

I prioritize time, talent and resources to maximize our key results

Steps to Accountability

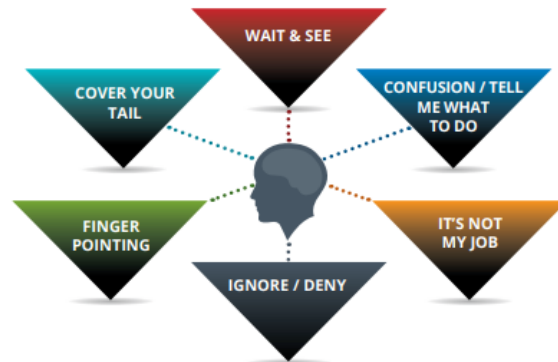
Steps To Accountability®

ABOVE THE LINE®

Steps To Accountability®



THE LINE



BELOW THE LINE®

Blame Game

The Oz Principle® DEFINITION OF ACCOUNTABILITY

a **personal choice** to rise above one's circumstances and demonstrate the ownership necessary for achieving Key Results; to **See It, Own It, Solve It, Do It.**®

The Results Pyramid

The **results** we achieve are a product of the **actions** we take.

The **actions** we take are influenced by the **beliefs** we hold.

The **beliefs** we hold are created by the **experiences** we have.

Either you will
MANAGE
YOUR CULTURE
...or it will manage you.



Hydrant out-of-service rate

Fire Hydrants in system – 1738

Fire Hydrants out of service – 5

- ❖ 1 - Repair parts ordered
 - 190 E. Main
- ❖ 2 – Schedule repair work
 - 15243 Old Dominion Rd – replace hydrant; Greenbriar Dr. – relocate & replace hydrant
- ❖ 2 – Low flow below 250 G/Min
 - 2 – Reedy Creek – low flow 190 G/min– 1) Review hydraulic study,) upgrade line from 3 Springs Tank to Reedy Creek - Mary's Chapel Project.
- ✓ 4 – Repaired and back in service – 18385 Jeb Stuart Hwy; 102 Wall Street; 439 Maple St. bonnet repaired; 24648 Old South Way – Hydrant flow tested
- ❖ Priority for out of service hydrants are the same as a line break.

Muni-Link and Elements

❖ Both Projects are on Hold

Muni-Link: Customer Information System – Signed Contract Termination & Mutual General Release Agreement on March 6th

Project Spend: \$ 54k

Elements: Work Order Management Systems

Project Spend: \$ 111k

- The challenge is developing seamless/automatic integration between Muni-Link and Elements with our accounting system (MSGP) and our geographic information systems (ARC-GIS)
 - ❖ Current state the transfer of information between systems is to occur via downloading and uploading files (CSV). This requires staff training and intervention and increases the probability of data/information errors
- ❑ Challenge for the Leadership Team – determine best solution for our business
 - Benchmark other utilities, BVU –CSA/GP, Loudon Water –SAP, and Others
 - Do we move forward with GP for accounting, inventory and integration.

Itron AMI Meter Project

- ❖ Currently reading with AMR, (automated meter reading), read via driving truck, 98% read rate
- ❖ Testing reading with AMI, (automated meter interface), read via a network utilizing Temetra software
 - Itron is setting up mobile collector to change the Itron 500W (ERT) from Mobile to Network reading
 - WCSA to perform field testing in March - April
 - Itron Mobile 3.4 software installed on Panasonic touch pad
 - Mobile collector setup, tested, used in field to change meters from mobile to network
 - Itron AMI network in the outer sections of the County needs to be verified by Itron
 - Itron to test/verify in March – April
 - WCSA and Itron converted one route of meters (58) to AMI read in March
 - Test interface between Temetra and Impresa
 - 58 meters in one route changed to network – testing interface to billing system

Regulatory Compliance - Water

- ✓ No Violations in February 2023
- ✓ Mill Creek – new Finish Pump Installation planned mid-April

Non-Capacity Sewer Overflows

- Hall Creek & Damascus Wastewater Treatment Plants
 - No Bypasses or Overflows in February 2023

Mill Creek – Chlorine Contact Tanks

- Both Tanks are planned to be replaced starting in February
- Plan A:
 - WCSA supplying Town of Chilhowie running plant with one Tank
 - Tank one removal completed March 9th
 - Tank one install in May



Customer Service & Office Restoration

❖ Next steps for Office Restoration

- Customer Service office layout – move customer service counter forward
- Flooring for Lobby will be LVT, Office & Hallways will be Carpet

➤ VRSA Insurance Claim

- Clean up cost \$62k - submitted to insurance
- Restoration replacement estimate \$100k

➤ Estimate from Paul Davis restoration plans

- Lobby updates with bullet resistance materials
- Replace all carpet & vinyl tile
- Building Upgrades \$93k

Points of Interest

Fwd: Repair bill for water break



Mike Weatherford <maw2tn@gmail.com>

To inquiry inquiry



Thu 3/2



Repair Bill - Green Spring Water Break - 20230302.pdf
191 KB

To whom it may concern:

In speaking with Alexis this afternoon, she instructed me to send a copy of my repair bill for the water line break on my property. This is for the property on "TBD Green Spring Rd", Account Number 78010110. Please note the attached copy of the repair bill.

Thank you for your assistance in this matter!

Michael Weatherford

From: Karen Ball <karenlynnhunt@live.com>

Sent: Tuesday, March 7, 2023 2:46 PM

To: inquiry inquiry <inquiry@wcsa-water.com>

Subject: Receipt of Walmart

Hello

Enclosed is a copy of the toilet flapper and kit to fix our toilet.

Our address is 19420 Astor Rd Abingdon Va

Account number 40747640

This was an inside issue that I was not aware of till our bill kept going up . Thank you to the representative I spoke with that help me figure it out .

The issue has been fix today .

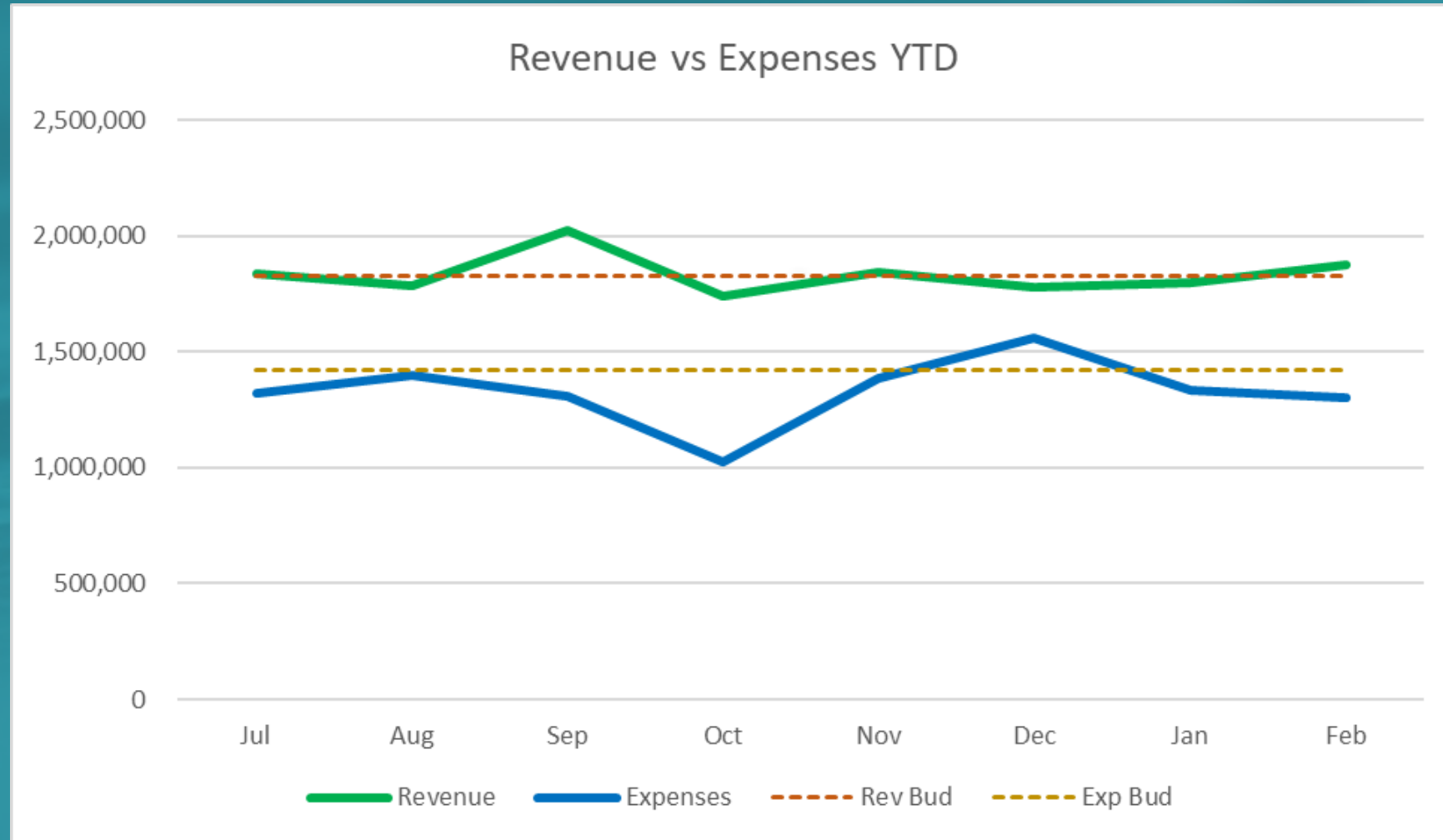


Again thank you

Karen Ball

423-845-0226

Points of Interest



Thank you

Questions?

February 2023 Month to Date Overview

	Actual	Budget	Variance	Variance %
Revenue				
Water	\$ 1,646,236	\$ 1,549,862	\$ 96,374	6.22%
Sewer	\$ 229,093	\$ 277,760	\$ (48,667)	-17.52%
Total	\$ 1,875,329	\$ 1,827,622	\$ 47,707	2.61%
Operating Exp.				
Water	\$ 1,063,698	\$ 1,213,624	\$ (149,926)	-12.35%
Sewer	\$ 237,713	\$ 210,517	\$ 27,196	12.92%
Total	\$ 1,301,411	\$ 1,424,141	\$ (122,730)	-8.62%
Income from Ops.				
Water	\$ 582,538	\$ 336,238	\$ 246,300	73.25%
Sewer	\$ (8,620)	\$ 67,243	\$ (75,863)	-112.82%
Total	\$ 573,918	\$ 403,481	\$ 170,437	42.24%

February 2023 Month to Date

Key Expense Variances

Month to Date Notes

Key Exp. Variances

Water	Actual	Budget	Variance	Notes
Production Electricity	\$ 48,438	\$ 33,830	\$ (14,608)	Rate Changes were not budgeted
Sodium Permanganate	\$ 13,752	\$ 3,333	\$ (10,419)	Budgeted Monthly
Planning Expense	\$ -	\$ 11,883	\$ 11,883	Cut
Sludge Removal	\$ -	\$ 12,298	\$ 12,298	Budgeted Monthly
Mowing	\$ -	\$ 13,167	\$ 13,167	Will resume in spring
Sewer				
Sewer Rent to BVU	\$ 43,419	\$ 21,489	\$ (21,930)	Usage. Rate has minimal increase.

Year to Date Overview

	Actual	Budget	Variance	Variance %	
Revenue					
Water	\$ 12,616,381	\$ 12,398,896	\$ 217,485	1.75%	
Sewer	\$ 2,076,374	\$ 2,222,076	\$ (145,702)	-6.56%	Up \$38K vs. LY
Total	\$ 14,692,755	\$ 14,620,972	\$ 71,783	0.49%	
Operating Exp.					
Water	\$ 9,242,449	\$ 9,708,993	\$ (466,544)	-4.81%	
Sewer	\$ 1,676,973	\$ 1,684,131	\$ (7,158)	-0.43%	
Total	\$ 10,919,422	\$ 11,393,124	\$ (473,702)	-4.16%	
Income from Ops.					
Water	\$ 3,373,932	\$ 2,689,903	\$ 684,029	25.43%	
Sewer	\$ 399,401	\$ 537,945	\$ (138,544)	-25.75%	
Total	\$ 3,773,333	\$ 3,227,848	\$ 545,485	16.90%	

Year to Date Key Expense Variances

Year to Date Notes

Key Exp. Variances

Water	Actual	Budget	Variance	Notes
Comp - Regular Admin.	\$ 592,562	\$ 542,335	\$ (50,227)	\$39K Cornett Payout
Legal Fees	\$ 85,696	\$ 39,947	\$ (45,749)	\$35K Internal Investigation
Other Equip. & Parts	\$ 43,876	\$ 1,547	\$ (42,329)	\$29K Cla-Valve Parts
Telephone	\$ 53,428	\$ 11,667	\$ (41,761)	Budgeting Error
Work Order Management System	\$ -	\$ 42,500	\$ 42,500	Elements - On Hold
Mowing	\$ 59,655	\$ 105,333	\$ 45,678	Will Resume in the Spring
Other Facilities Maint.	\$ 7,439	\$ 54,938	\$ 47,499	
Outside Services	\$ 3,750	\$ 53,333	\$ 49,583	
CompSoft Support	\$ -	\$ 56,667	\$ 56,667	
Planning Exp.	\$ 5,923	\$ 95,067	\$ 89,144	\$6K payroll conversion, \$2600 confined space refresh, \$1K First Aid/CPR, \$18K CDL school, \$15K supervisor training \$100K physical requirements analysis

Financing Activities

Financing Activities

	MTD	YTD
Water		
Interest Income	\$ 95,148	\$ 563,752
Financing Exp.	\$ (286,329)	\$ (1,785,540)
Total	\$ (191,181)	\$ (1,221,788)
Sewer		
Interest Income	\$ 506	\$ 2,780
Financing Exp.	\$ (7,712)	\$ (109,103)
Total	\$ (7,206)	\$ (106,323)
Combined		
Interest Income	\$ 95,654	\$ 566,532
Financing Exp.	\$ (294,041)	\$ (1,894,643)
Total	\$ (198,387)	\$ (1,328,111)

Accounting Projects

Item	Status
2022 Audit	Complete
Inventory Count	Next Count Scheduled 4/5
Internal Investigation	In progress - Documents for Phase 1 Submitted
2023 Audit	Scheduled. Prelim - June 19th, Actual August 14th
2024 Budget	Budget Kickoff Meetings - April 12, 2023

Debt Service Coverage

$$\text{Debt-service coverage ratio} = \frac{\text{Total operating revenue} - \text{total O\&M costs}}{\text{Total debt service}}$$

Year to Date				
Water				
2.76	\$	12,616,381	\$	9,242,449
	\$			1,221,788
Sewer				
3.76	\$	2,076,374	\$	1,676,973
	\$			106,323
Combined				
2.84	\$	14,692,755	\$	10,919,422
	\$			1,328,111

Tables 2-4A through 2-4D present aggregate data by service type for the debt-service coverage ratio performance indicator as collected in the FY20 data set.

Table 2-4C Aggregate data for the debt-service coverage ratio—combined

	75th percentile	Median	25th percentile	Sample size
Combined utilities	3.00	2.21	1.59	69

Debt Service Coverage Detail Sheet

[Debt Service Detail.xlsx](#)

Washington County Service Authority
Notes to Financial Statements (Continued)
June 30, 2022

NOTE 4 LONG-TERM OBLIGATIONS (Continued)

Details of the Authority's long-term obligations at June 30, 2022 are as follows:

	Interest Rates	Issue Date	Maturity Date	Original Amount	Balance at 6/30/2022	Due Within One Year
Water Fund:						
RD WTP 91-19	2.500%	5/27/2010	2050	\$ 9,000,000	\$ 7,402,952	\$ 188,525
RD Route 58 Loan No. 20	2.380%	7/29/2010	2050	5,360,000	4,349,025	112,770
RD Whites Mill Loan No. 21	2.250%	12/1/2010	2050	3,000,000	2,287,152	66,945
RD WTP 91-20	2.250%	12/1/2010	2050	9,000,000	7,367,523	185,159
RD WTP 91-18	2.250%	12/1/2010	2050	8,580,000	6,846,067	184,526
RD Galvanized Line 1-1	2.250%	12/15/2010	2050	4,000,000	3,291,312	83,763
RD Galvanized Line 1-2	2.250%	12/15/2010	2050	6,000,000	4,858,494	127,422
RD Galvanized Line 2-1	2.380%	12/15/2010	2050	6,000,000	5,372,659	114,112
RD Galvanized Line 2-2	2.380%	12/15/2010	2050	4,000,000	3,596,651	75,717
RD Loan #30a (2017C)	2.000%	9/26/2017	2057	1,327,455	1,735,285	35,762
RD Loan Number 34	2.000%	9/26/2017	2057	341,000	2,026	6,425
RD Loan Town of Chilhowie	2.375%	10/14/2018	2059	814,880	792,277	13,978
RD Loan Number 32	1.250%	10/27/2021	2062	7,000,000	6,909,042	136,968
RD Loan Number 32	1.250%	10/27/2021	2062	8,450,000	8,340,197	165,346
RD Loan Number 38	1.125%	1/19/2022	2062	9,130,000	9,053,550	182,797
Total Bonds Payable from Direct Borrowings					\$72,204,212	\$ 1,680,215
EPA DW RLF Loan #WSL-18-98	2.000%	9/22/2000	2026	\$ 231,900	\$ 40,434	\$ 11,266
EPA DW RLF Loan #WSL-11-99	0.000%	8/31/2001	2032	83,388	27,790	2,778
EPA DW RLF Loan #WSL-17-99	0.000%	9/25/2001	2032	2,248,791	781,197	74,399
DWSRF Hanger Line	0.000%	9/1/2002	2022	395,215	144,950	13,174
DWSRF Providence Road	0.000%	6/30/2003	2033	153,114	58,590	5,094
DWSRF Goldenview Drive	0.000%	10/15/2003	2034	382,195	146,508	12,740
Blackhollow Road 15-04	3.000%	6/30/2005	2025	545,503	122,575	33,727
DWSRF Logan Creek	3.000%	11/26/2005	2026	193,021	54,945	11,584
EPA DW RLF Loan #WSL-03-06	3.000%	1/18/2007	2027	891,158	279,875	52,691
EPA DW RLF Loan #WSL-24-06	3.000%	3/1/2007	2027	156,290	53,603	9,104
Mendota Road Phase 1	3.000%	12/2/2008	2029	231,380	98,820	12,888
Walker Mtn Road/Lime Hill	3.050%	12/2/2008	2029	690,012	289,758	38,622
VRA Loan WSL #07-09	2.450%	2/9/2010	2031	647,003	319,971	34,303
Tumbling Creek	3.000%	2/11/2010	2031	62,563	27,541	3,525
VRA Loan WSL #19-08	3.050%	12/9/2010	2050	802,670	429,356	42,137
Reedy Creek WSL 23-10	2.250%	12/9/2010	2050	3,259,531	1,569,459	209,652
VRA Loan WSL #22-06	3.000%	12/28/2010	2031	304,774	162,665	15,997
Nordyke WSL #03-11	3.000%	12/4/2013	2044	387,829	296,288	11,040
VRA Rich Valley Whites Mill WSL #05-11	3.000%	12/4/2013	2044	1,394,102	1,182,523	36,341
Tumbling Creek South WSL #04-11	3.000%	5/21/2014	2044	72,911	60,902	1,929
Hidden Valley Rd WSL 003-14	2.000%	5/28/2015	2046	296,475	245,790	8,453
Childress Hollow	2.500%	12/31/2015	2046	220,172	161,873	6,589
Haskell Station	2.000%	4/20/2017	2047	114,009	96,490	2,934
WSL-006-18	2.500%	4/11/2019	2049	164,780	98,017	5,514
WSL-002-18	2.500%	4/11/2019	2049	1,663,900	1,585,496	40,687
VPFP 2019C	2.250%	11/20/2019	2034	2,310,000	2,095,000	115,000
VPFP 2019C	4.000%	11/20/2019	2034	5,470,000	4,955,000	280,000
WSL-004-18 - Sugar Cove Road	2.500%	3/5/2020	2050	326,840	310,990	8,004
WSL-005-18	1.000%	8/26/2020	2051	186,212	183,995	4,386
Subtotal Bonds Payable					\$15,880,401	\$ 1,104,558
Bond premium - VPFP 2019C	N/A	N/A	N/A	N/A	1,107,399	176,514
Total Bonds Payable with Premiums					\$16,987,800	\$ 1,281,072
Line of Credit	Prime + 0.5	12/3/2020	2023	\$34,200,000	\$ 7,904,358	\$ -
Compensated Absences	N/A	N/A	N/A	N/A	818,385	163,677
Net OPEB Liabilities	N/A	N/A	N/A	N/A	1,971,989	-
Total Water Fund					\$99,886,744	\$ 3,124,964
Sewer Fund:						
Exit 13 P1 - Loan 1 91-14	2.250%	12/15/2011	2052	\$ 1,579,000	\$ 1,331,487	\$ 32,341
Exit 13 P1 - Loan 1 91-28	2.250%	12/15/2011	2052	1,677,000	1,412,917	34,369
Damascus	4.500%	8/15/2012	2042	973,000	678,313	23,560
Total Bonds Payable from Direct Borrowings					\$ 3,422,717	\$ 90,270
2008 Series Refunding Bond	3.900%	5/6/2008	2033	\$ 4,100,000	\$ 2,224,248	\$ 175,364
Exit 13 P1 Force Main	1.000%	8/30/2012	2033	1,383,334	810,353	70,045
VRA 2017B	0.000%	8/16/2017	2038	1,171,550	853,179	58,578
Exit Phase IIA	0.000%	10/11/2016	2038	1,247,843	883,484	62,392
Total Bonds Payable					\$ 4,771,264	\$ 366,379
Compensated Absences	N/A	N/A	N/A	N/A	\$ 38,553	\$ 7,711
Net OPEB Liabilities	N/A	N/A	N/A	N/A	233,661	-
Total Sewer Fund					\$ 8,466,195	\$ 464,360



-
- Travis Fritz called and said he wanted water but has
- home is for sale
- Legend:
- already has service
 - declined
 - no response
 - agreed to service



Future Waterline Extension Projects

- Staff has started working on VDH funding applications for:
 - Bluff Hollow Road
 - Buffalo Pond Road
 - Flatwood Acres Road
 - Spoon Gap Road
- WCSA was unsuccessful in obtaining funding last year
- Staff has started environmental permitting for these projects



Galvanized Line Phase 3

- Industrial Park line work is complete and all customers have been tied over.
- Contractor is completing paving and cleanup work.



Water Line Extension Projects

- WSL-010-21A
- Taylors Valley, Green Springs Road, Monroe Road, and Prices Bridge Road.
- Contractor has completed Taylors Valley, Monroe Road, and Prices Bridge Road
- Construction is in progress on Green Springs Road and contractor is nearly 75% complete.



Green Spring Road Progress Photo





Mendota Waterline Extension Project

- Construction is underway.
- Continue to wait on the outcome of the state budget for additional funding of the Mendota Project
- Contractor continues to work on stream crossings



Mendota Road Stream Crossing Photo





Mary's Chapel Project/Archery Range Road

- Project has been advertised for construction.
- A pre-bid meeting will be held March 30th at 10:00 A.M.
- The project bid-opening will be April 20th at 2:00 P.M.



Mill Creek Chlorine Contact Tanks Replacement

- Initial Tank has been demolished and removed
- Contractor is working on forming and pouring the foundation for placement of the first tank
- See attached photos



Contractor Forming the Foundation for First Mill Creek Tank





Formed Foundation for First Mill Creek Tank





Finished Concrete Foundation with Installed Anchor Bolts





Elimination of the Old Route 58 Storage Tank

- Staff is working to sell the old tank property.



Smyth Chapel Improvements Project

- Staff continues to work to finalize the pump station property purchase.

Lee Highway Corridor Sewer Improvements Project

- Staff continues to work to finalize easements and property acquisitions.
- Total Project Cost = \$33,153,396

Rural Development	Loan	\$9,355,000
Rural Development	Grant	\$9,165,000
Washington County	ARPA Grant	\$3,000,000
DEQ	ARPA Grant	\$8,535,822
DEQ	Loan	\$2,845,274
WCSA		\$252,300
TOTAL		\$33,153,396

- WCSA initially received a DEQ Loan of \$11,381,096
- WCSA also applied for DEQ ARPA Funding and later received the \$8,535,822 grant. This grant will offset the DEQ Loan and the new loan for DEQ will be \$2,845,274.
- Earlier this month WCSA applied for \$1,000,000 thru Morgan Griffith's office, but it will not be until April of 2024 until those announcements are released.
- In May, DEQ will announce what %/if any of the offered loan funds will be reduced to principal forgiveness. WCSA remains hopeful that the \$2,845,274 will be converted to grant funds or at least a large percentage.
- Grant funds are needed to make the project cash flow.
- With the project planned to advertise in June, WCSA may have an opportunity with RD for the remaining funds needed to be 50% grant and 50% loan.

Rural Development	Loan	\$9,355,000
Rural Development	Grant	\$9,165,000
Washington County	ARPA Grant	\$3,000,000
DEQ	ARPA Grant	\$8,535,822
DEQ	Loan	\$2,845,274
WCSA		\$252,300
TOTAL		\$33,153,396

It would be August timeframe before additional financial information would be provided by RD.

The background features a light blue gradient. On the left, there are faint, white, concentric topographic-style lines. On the right, there is a complex, dark blue molecular or network structure with various nodes and connecting lines, some of which are highlighted in a lighter blue.

WCSA PHONE REPORT

✦ FEBRUARY 2023

NUMBER OF CALLS FOR FEBRUARY 2023

2,676 Calls

Average of
141 calls per
a day

AVERAGE WAIT TIME

1:48 MINUTES

Human Resources & Safety Dashboard

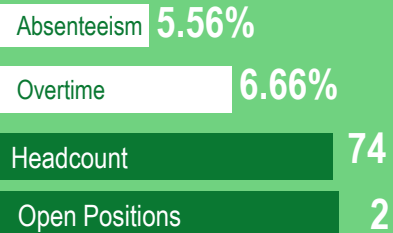


Strategy

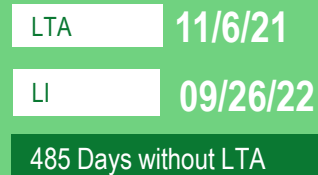
- **Establish Open Communication**
- **Develop & Implement Policy and Procedures**
- **Involve Everyone**
- **Provide Training**
- **Establish Benchmark & Review Progress**
- **Use Positive Reinforcement**

Key Process Indicators (KPI)

Human Capital



Safety



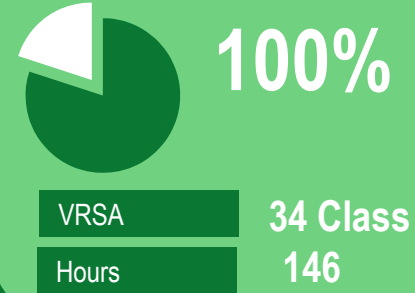
Employee Relations



Benefits/Demographics



Training/Development Investment

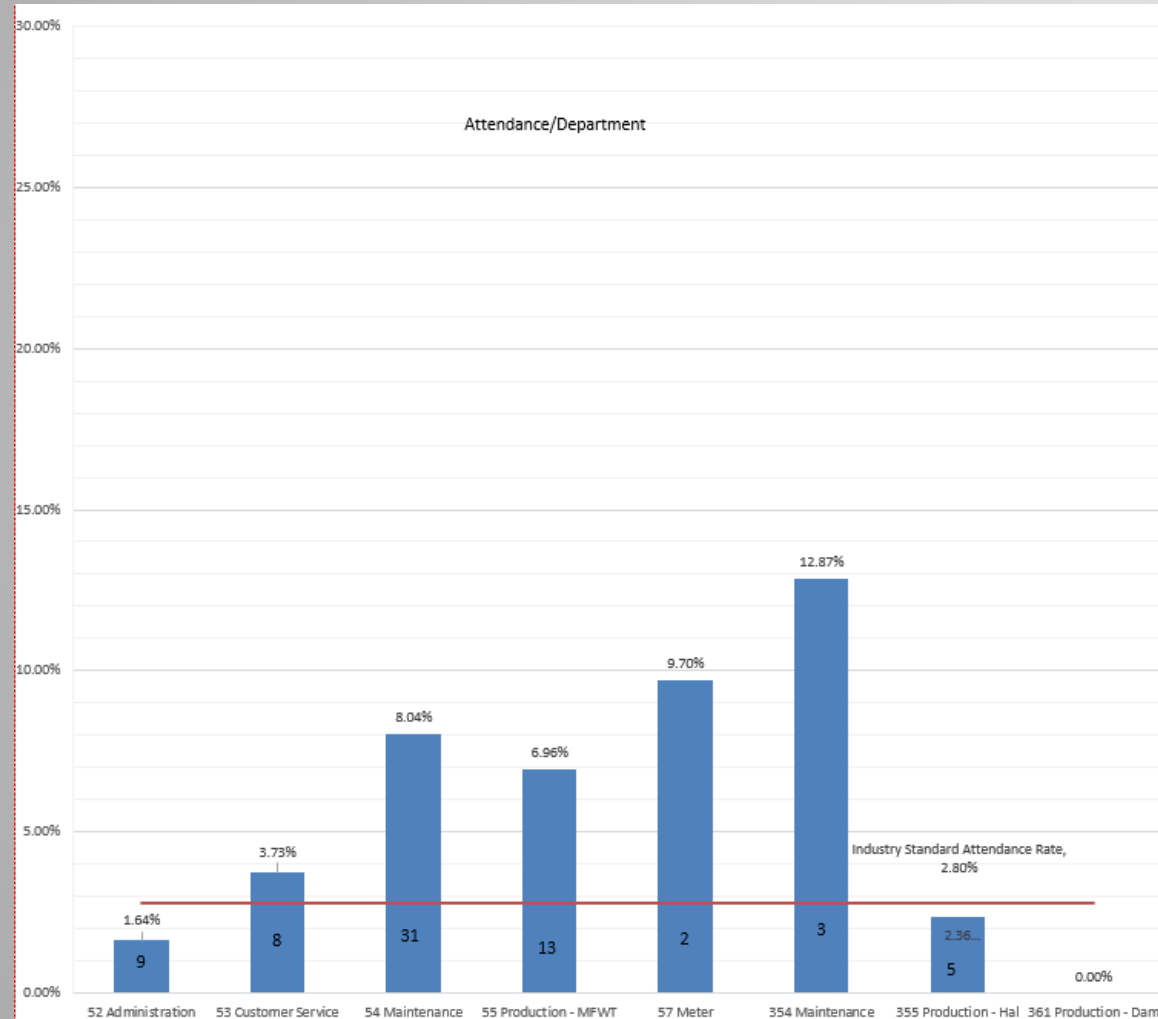


Promotions/New Hires

Jared Cox-Crew Chief
Matt White-Operator
Andrew Inscore-Crew Member

Human Capital KPI

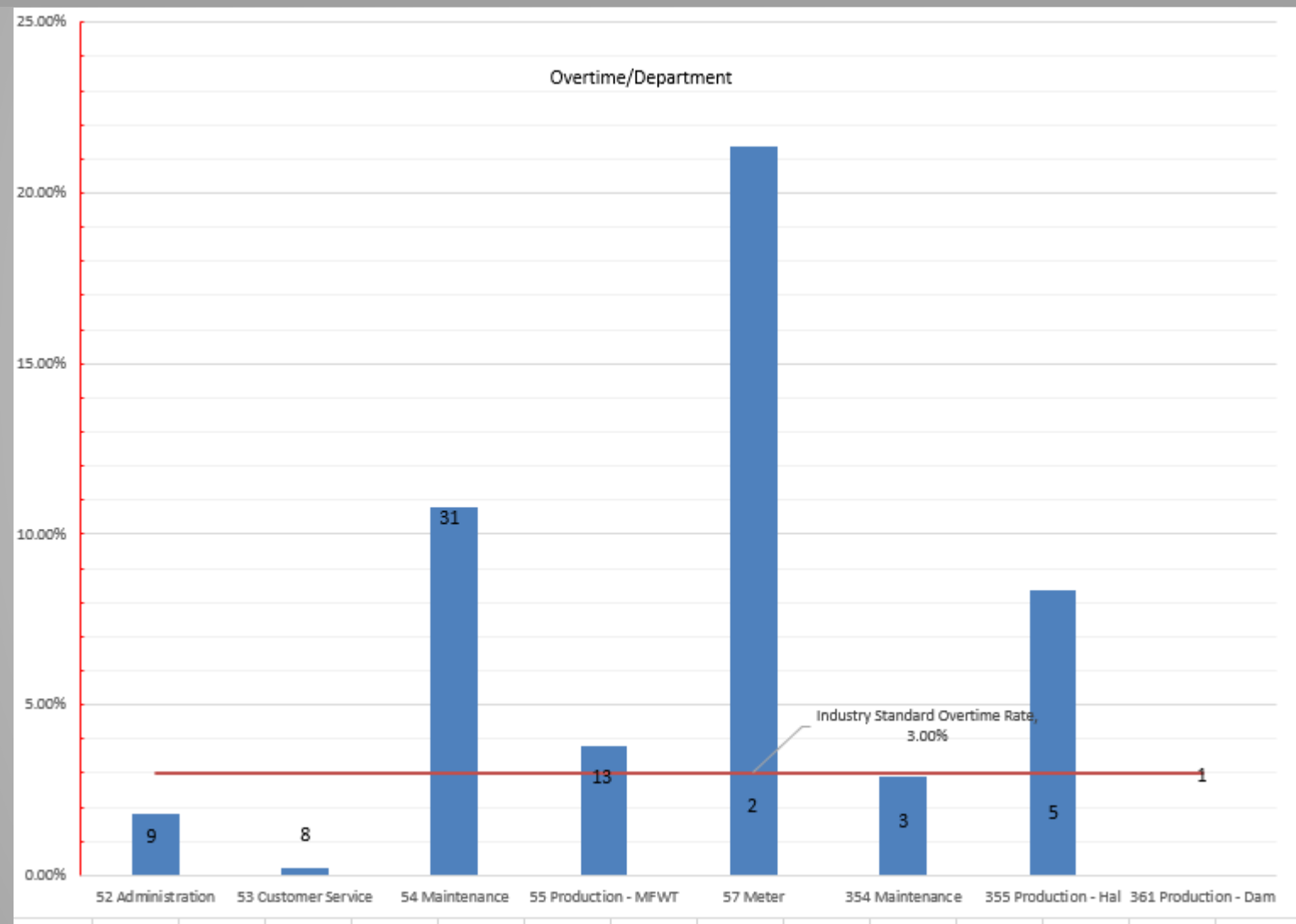
Attendance



- Red line represents Industry Standard for Absenteeism 2.8%
- Black # within the blue bar chart represents the # of employees by department
- Damascus only has 1 employee
- Average absenteeism 5.56 down from 9.64%

Human Capital KPI

Overtime



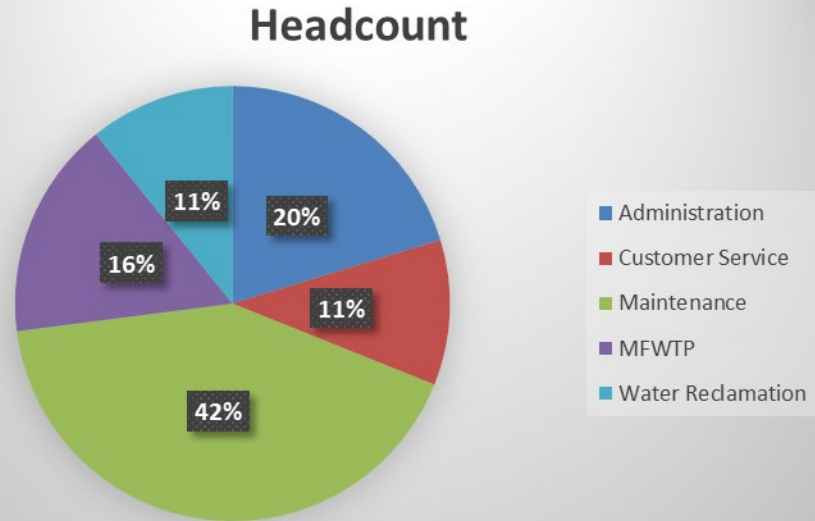
Red line represents Industry Standard for Overtime at 3%

Black # within the blue bar chart represents the # of employees by department

Average OT is 6.6% down from %16.12

Human Capital KPI

Headcount



Open Positions

- Staff Accountant
- Crew Member

New Hires

- 1

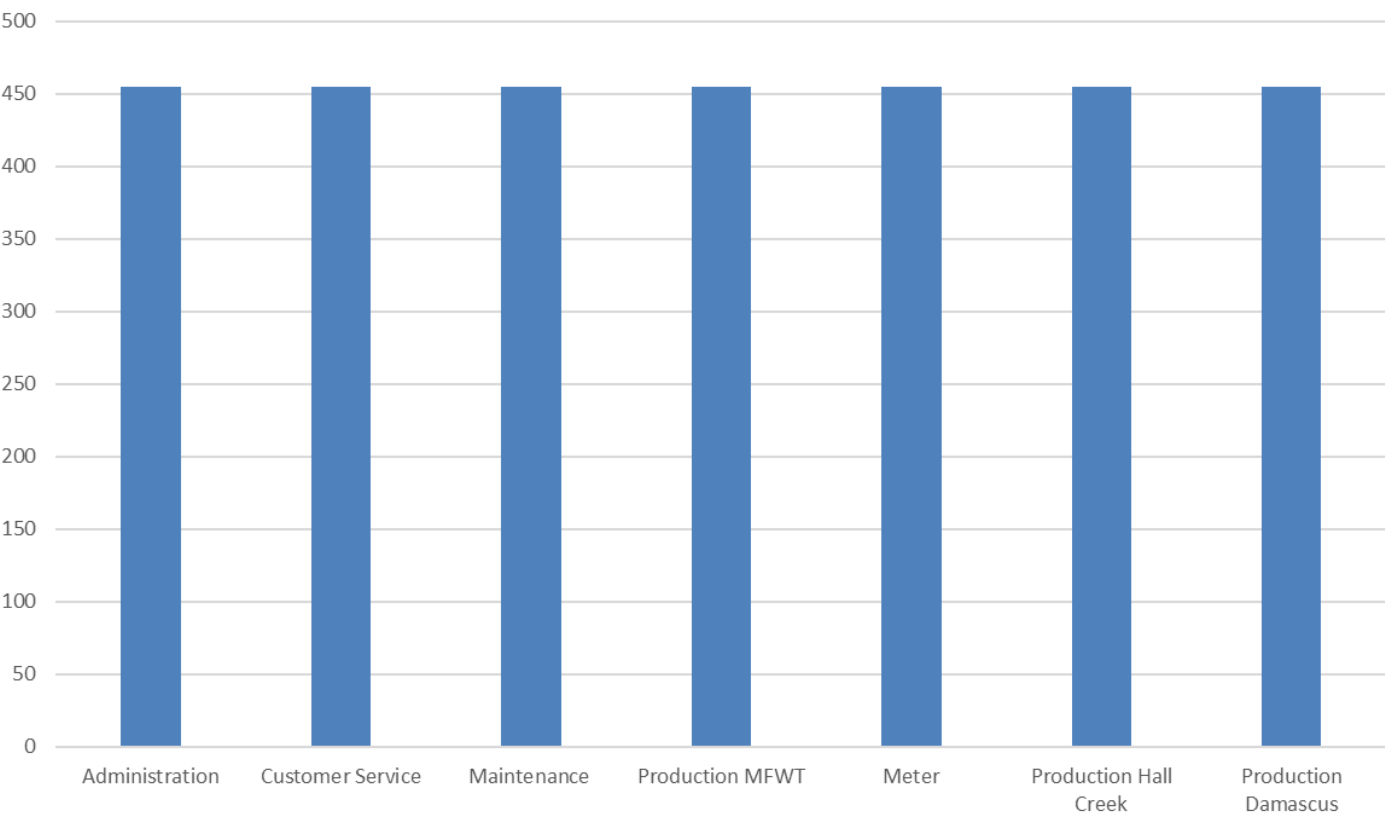
Terminations

- 0

Human Capital KPI

Safety

Days Without a LTA



Days without a Lost Time Accident

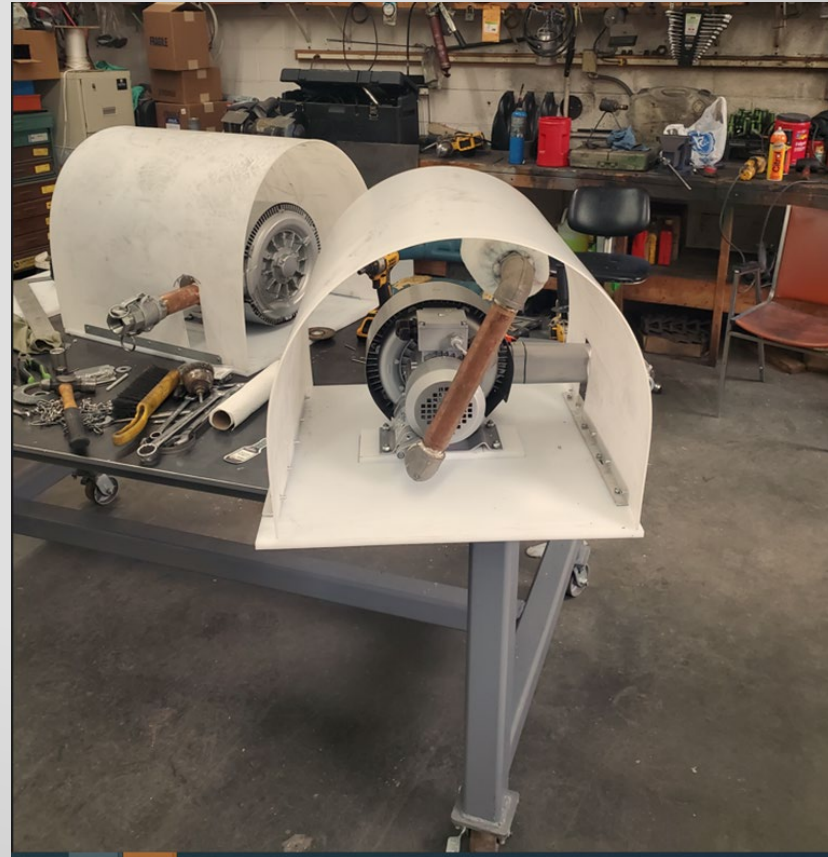
- Administration-455
- Customer Service-455
- Maintenance-455
- Productions MFWT-455
- Meter-455
- Production Hall Creek-455
- Production Damascus-455

On Our Minds

Water Reclamation

Maintenance On Call Schedule

1. Organized a cross functional team
 - Crew Chief
 - Operator
 - Crew Member
 - Manager
 - Assistant Manager
 - Controller
 - GM
 - HR Manager
2. Review data from customer calls between 3:30-7:00 beginning April 1-June 31
3. Eliminated shift rotation
4. Assigned permanent shift
5. Filled Openings with volunteers
6. Developed bid bump process by classification



Water Reclamation

Aerates the wet well with air thus limiting the production of hydrogen sulfide gas. This process will reduce unpleasant odor and reduce corrosion of pipes in our system.

Human Capital KPI

- **Promotions**

- Maintenance

- **Jared Cox** was promoted from Crew Member to Crew Chief
 - **Matt White** was promoted from Crew Member to Operator

- **New Hires**

- Water Reclamation

- **Michael Inscore** was hired as a crew member for Water Reclamation Maintenance Crew Member

Human Capital KPI



LOAN RESOLUTION
(Public Bodies)

A RESOLUTION OF THE **Board of Commissioners**

OF THE **Washington County Service Authority**

AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING A PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS **sewer system**

FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO SERVE.

WHEREAS, it is necessary for the **Washington County Service Authority**

(Public Body)

(herein after called Association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of

Nine Million Three Hundred Fifty-Five Thousand & 00 100

pursuant to the provisions of **Virginia Public Finance Act** ; and

WHEREAS, the Association intends to obtain assistance from the United States Department of Agriculture, (herein called the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) in the planning, financing, and supervision of such undertaking and the purchasing of bonds lawfully issued, in the event that no other acceptable purchaser for such bonds is found by the Association:

NOW THEREFORE, in consideration of the premises the Association hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the issuance of its bonds containing such items and in such forms as are required by State statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of its bonds upon the request of the Government if at any time it shall appear to the Government that the Association is able to refinance its bonds by obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time as required by section 333(c) of said Consolidated Farm and Rural Development Act (7 U.S.C. 1983(c)).
3. To provide for, execute, and comply with Form RD 400-4, "Assurance Agreement," and Form RD 400-1, "Equal Opportunity Agreement," including an "Equal Opportunity Clause," which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of \$10,000.
4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the Association. Such indemnification shall be payable from the same source of funds pledged to pay the bonds or any other legal ly permissible source.
5. That upon default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the Association (payable from the source of funds pledged to pay the bonds or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the Association, and default under any such instrument may be construed by the Government to constitute default hereunder.
6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, or permit others to do so, without the prior written consent of the Government.
7. Not to defease the bonds, or to borrow money, enter into any contractor agreement, or otherwise incur any liabilities for any purpose in connection with the facility (exclusive of normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the bonds.
8. To place the proceeds of the bonds on deposit in an account and in a manner approved by the Government. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these accounts will be considered as revenues of the system.
9. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.
10. To provide for the receipt of adequate revenues to meet the requirements of debt service, operation and maintenance, and the establishment of adequate reserves. Revenue accumulated over and above that needed to pay operating and maintenance, debt service and reserves may only be retained or used to make prepayments on the loan. Revenue cannot be used to pay any expenses which are not directly incurred for the facility financed by USDA. No free service or use of the facility will be permitted.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0121. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

11. To acquire and maintain such insurance and fidelity bond coverage as may be required by the Government.
12. To establish and maintain such books and records relating to the operation of the facility and its financial affairs and to provide for required audit thereof as required by the Government, to provide the Government a copy of each such audit without its request, and to forward to the Government such additional information and reports as it may from time to time require.
13. To provide the Government at all reasonable times access to all books and records relating to the facility and access to the property of the system so that the Government may ascertain that the Association is complying with the provisions hereof and of the instruments incident to the making or insuring of the loan.
14. That if the Government requires that a reserve account be established, disbursements from that account(s) may be used when necessary for payments due on the bond if sufficient funds are not otherwise available and prior approval of the Government is obtained. Also, with the prior written approval of the Government, funds may be withdrawn and used for such things as emergency maintenance, extensions to facilities and replacement of short lived assets.
15. To provide adequate service to all persons within the service area who can feasibly and legally be served and to obtain USDA's concurrence prior to refusing new or adequate services to such persons. Upon failure to provide services which are feasible and legal, such person shall have a direct right of action against the Association or public body.
16. To comply with the measures identified in the Government's environmental impact analysis for this facility for the purpose of avoiding or reducing the adverse environmental impacts of the facility's construction or operation.
17. To accept a grant in an amount not to exceed \$ 9,165,000.00

under the terms offered by the Government: that the Chairperson

and Assistant Secretary of the Association are hereby authorized and empowered to take all action necessary or appropriate in the execution of all written instruments as may be required in regard to or as evidence of such grant; and to operate the facility under the terms offered in said grant agreement(s).

The provisions hereof and the provisions of all instruments incident to the making or the insuring of the loan, unless otherwise specifically provided by the terms of such instrument, shall be binding upon the Association as long as the bonds are held or insured by the Government or assignee. The provisions of sections 6 through 17 hereof may be provided for in more specific detail in the bond resolution or ordinance; to the extent that the provisions contained in such bond resolution or ordinance should be found to be inconsistent with the provisions hereof, these provisions shall be construed as controlling between the Association and the Government or assignee.

The vote was:

Yeas

6

Nays

0

Absent

1

IN WITNESS WHEREOF, the Board of Commissioners of the

Washington County Service Authority has duly adopted this resolution and caused it

to be executed by the officers below in duplicate on this MARCH, 27th day of 2023

(SEAL)

Attest:

Carol Ann Shaffer

Title Assistant Secretary

By

David Campbell

Title

Chairperson

**RESOLUTION OF GOVERNING BODY OF
WASHINGTON COUNTY SERVICE AUTHORITY**

The governing body of the Washington County Service Authority, consisting of 7 members, in a duly called meeting held on the 27th day of March, 2023, at which a quorum was present **RESOLVED** as follows:

BE IT HEREBY RESOLVED that, in order to facilitate obtaining financial assistance from the United States of America, United States Department of Agriculture, Rural Development (the Government) for the Lee Highway Corridor Sewer Improvements Project, the governing body does hereby adopt and abide by the covenants contained in the agreements, documents, and forms required by the Government to be executed.

BE IT FURTHER RESOLVED that the Chairman or Secretary be authorized to execute on behalf of the Board of Commissioners, the above-referenced agreements and to execute such other documents including, but not limited to, debt instruments and security instruments as may be required in obtaining said financial assistance.

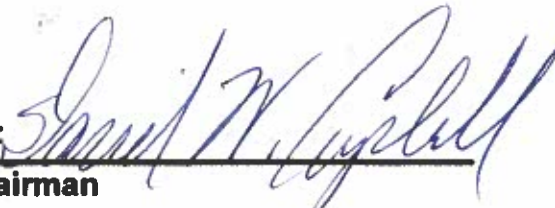
This Resolution, along with a copy of the required documents, is hereby entered into the permanent minutes of the meeting of this Board of Commissioners.

WASHINGTON COUNTY SERVICE

AUTHORITY

Attest:


Secretary

By: 
Chairman

CERTIFICATION

I hereby certify that the above resolution was duly adopted by the Board of Commissioners of the Washington County Service Authority, at a duly assembled meeting on the 27th day of March, 2023.

Treasurer: 