

Washington County Service Authority Board of Commissioners
June 7, 2024, 3:15 pm Called Meeting Rates and Fees Workshop Minutes

Agenda Item: 1	Call the Meeting to Order
Presenter(s):	Chairman
End Time:	3:25

Agenda Item: 2	Roll Call
Presenter(s):	Chairman
Present:	Mr. Campbell, Mr. Hutton, Mrs. C. Miller, Mr. D. Miller, Mr. Taylor, and Mr. Thayer
Absent:	D Hutchenson
End Time:	3:26

Agenda Item: 3	Prayer and Pledge of Allegiance
Presenter(s):	Dwain Miller opened the meeting in prayer and led the Pledge of Allegiance.
Beginning Time:	3:27
End Time:	3:27

Agenda Item: 4	Approval of the Agenda
Presenter(s):	Chairman
Beginning Time:	3:28
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:	C Miller
Second By:	K Thayer
Voting:	Ayes: 7
	Nays: 0
	Abstain: 0
End Time:	3:28

**Washington County Service Authority Board of Commissioners
June 7, 2024, 3:15 pm Called Meeting Rates and Fees Workshop Minutes**

Agenda Item: 5	Rates and Fees Workshop
Presenter(s):	Raftelis / Controller
Beginning Time:	3:29
Potential Conflict(s) of Interest and Abstention(s):	None
Background:	Commencing on January 4, 2024, WCSA's Board of Commissioners and Staff engaged the services of Raftelis Financial Consultants ("Raftelis") to establish a five-year financial plan for WCSA. WCSA Staff provided Raftelis with financial data including; general financial information; operating budget and actual expenses; budgeted and actual water and wastewater revenues; adopted financial policies; audited financial reports; water and wastewater capital improvement plans; schedules for outstanding debt service; database of water and sewer fixed assets; population estimates for WCSA's service area, water and wastewater billable consumption and revenue data; water and wastewater customer accounts by meter size and customer class; monthly total water production; monthly amounts of wastewater treated; water treatment plant rated capacity; and wastewater treatment plant capacity.
Discussion:	General Discussion related to rates and fees increase
On the Record:	
Recommendation:	Reference: RESOLUTION - Fiscal Year 2025 – 2029 Preliminary Schedule of Rates, Fees, and Charges.
Proposed Motion:	RESOLUTION - Fiscal Year 2025 – 2029 Preliminary Schedule of Rates, Fees, and Charges.
Actual Motion:	None
Motion By:	
Second By:	
Voting:	Ayes:
	Nays:
	Abstain:
End Time:	4:41

Washington County Service Authority Board of Commissioners
June 7, 2024, 3:15 pm Called Meeting Rates and Fees Workshop Minutes

Agenda Item: 6	Consideration Fiscal Year 2025 – 2029 Preliminary Schedule of Rates, Fees, and Charges
Presenter(s):	Controller / Acting General Manager
Beginning Time:	4:42
Potential Conflict(s) of Interest and Abstention(s):	
Background:	Reference: RESOLUTION - Fiscal Year 2025 – 2029 Preliminary Schedule of Rates, Fees, and Charges
Discussion:	General discussion related to rates and fees and the need for a new sewer plant or partner with Abingdon to expand their capacity and not build a new plant. Discussed the ongoing project for the backbone sewer line. M. Cochran Abingdon Town manager discussed partnering with WCSA related to upgrading the Abingdon sewer plant. The upgrade would cost less than a new plant for WCSA. These were just preliminary discussion and more of a brainstorming session. No commitments were made to either partner with Abingdon or build a new sewer plant off Bordwine Rd. D. Campbell ask R. Kiser if we had user agreements signed yet for the first neighborhoods that would be connected to the new sewer line project. R. Kiser said no but if it's the board pleasure he would start working on the user agreements. D. Campbell said that would be a good idea. The board also discussed running the rates and fees in the news paper for two consecutive weeks. We could also hand out to customers that come to office.
On the Record:	
Enclosures:	
Recommendation:	Subject to answering any questions the Board may have, Staff recommends the Board favorably consider approving RESOLUTION - Fiscal Year 2025 – 2029 Preliminary Schedule of Rates, Fees, and Charges.
Proposed Motion:	Board favorably considers approving RESOLUTION - Fiscal Year 2025 – 2029 Preliminary Schedule of Rates, Fees, and Charges.
Actual Motion:	Board favorably considers approving RESOLUTION - Fiscal Year 2025 – 2029 Preliminary Schedule of Rates, Fees, and Charges.
Motion By:	K. Taylor
Second By:	C. Miller
Voting:	Ayes: 6
	Nays: 0
	Abstain: 0
End Time:	4:30

Agenda Item 6:

Consideration Fiscal Year 2025 – 2029 Preliminary Schedule of Rates, Fees, and Charges:

Washington County Service Authority

RESOLUTION

Fiscal Year 2025 – 2029 Preliminary Schedule of Rates, Fees, and Charges

WHEREAS, Washington County Service Authority (“WCSA”) is a water and wastewater utility operating in Washington County Virginia, and from time-to-time must adjust its rates, fees, and charges to meet the capital, operation and maintenance needs;

WHEREAS, on January 4, 2024, WCSA’s Board of Commissioners and Staff engaged the services of Raftelis Financial Consultants (“Raftelis”) to establish a five-year financial plan for WCSA;

WHEREAS, WCSA Staff provided Raftelis with financial data including; general financial information; operating budget and actual expenses; budgeted and actual water and wastewater revenues; adopted financial policies; audited financial reports; water and wastewater capital improvement plans; schedules for outstanding debt service; database of water and sewer fixed assets;;population estimates for WCSA’s service area, water and wastewater billable consumption and revenue data; water and wastewater customer accounts by meter size and customer class; monthly total water production; monthly amounts of wastewater treated; water treatment plant rated capacity; and wastewater treatment plant capacity;

WHEREAS, on February 9, 2024, Raftelis and WCSA Staff conducted a five-year rate and financial plan review workshop with the WCSA Board of Commissioners to discuss any financial concerns, needed capital investments for water and wastewater, and to establish focal points for building the five-year rate model;

WHEREAS, on April 24, 2024, Raftelis and WCSA Staff conducted a five-year rate and financial plan review workshop to review and forecast rates, capital investment schedules for water and wastewater, and financial forecast for water and wastewater revenues and expenses.

WHEREAS, on May 1, 2024, Raftelis, WCSA Staff, and two WCSA Commissioners held a five-year rate and financial plan review workshop to review different rate scenarios for water and wastewater in light of a capital improvements plan and need for capital investments;

WHEREAS, on May 10, 2024, Raftelis and WCSA Staff conducted a five-year rate and financial plan review workshop, during which Raftelis presented scenarios for water rate increases dependent on financial budgets, operating reserves, and capital outlay for water system improvements, and Raftelis also presented scenarios for wastewater rate increases dependent on financial budgets, operating reserves, and capital outlay for wastewater system improvements;

Washington County Service Authority Board of Commissioners
June 7, 2024, 3:15 pm Called Meeting Rates and Fees Workshop Minutes

WHEREAS, on May 14, 2024, Raftelis, WCSA Staff, and two WCSA Commissioners conducted a five-year rate and financial plan review workshop to establish rate scenarios for water and wastewater in preparation for a workshop with the Board of Commissioners on May 20, 2024;

WHEREAS, at the meeting on June 7, 2024, Raftelis, WCSA staff, Board of Commissioners, and interested members of the public had opportunity to participate in a five-year rate and financial plan review workshop, and at the meeting Raftelis and WCSA Staff presented scenarios for water and wastewater rates and fees contingent on financial budgets, operating reserves, and capital outlay for system improvements;

THEREFORE, BE IT RESOLVED, that the Board of Commissioners of WCSA hereby preliminarily adopts the "Schedule of Rates, Fees, and Charges" pursuant to Section 15.2-5136(G) of the 1950 Code of Virginia, as amended, set forth below:

SUMMARY OF PRELIMINARY RATES, FEES AND CHARGES
(BEGINNING JULY 1, 2024)

Washington County Service Authority Board of Commissioners
June 7, 2024, 3:15 pm Called Meeting Rates and Fees Workshop Minutes

{PRELIMINARY TABLE OF RATES, FEES, AND CHARGES
SUBJECT TO CHANGE BASED ON BOARD DECISION}

Summary of Proposed Rate, Fee, and Charge Changes - Beginning July 1, 2024, (FY 2025)						
Water Monthly Base Charge = a monthly minimum charge based on meter size						
	(water monthly base charges will increase by 3.5% annually)					
Meter Size	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
3/4"	\$ 27.10	\$ 28.05	\$ 29.03	\$ 30.05	\$ 31.10	\$ 32.19
1"	\$ 37.93	\$ 39.26	\$ 40.63	\$ 42.05	\$ 43.53	\$ 45.05
2"	\$ 78.58	\$ 81.33	\$ 84.18	\$ 87.12	\$ 90.17	\$ 93.33
4"	\$ 379.32	\$ 392.60	\$ 406.34	\$ 420.56	\$ 435.28	\$ 450.51
6"	\$ 568.97	\$ 588.88	\$ 609.49	\$ 630.83	\$ 652.91	\$ 675.76
8"	\$ 785.72	\$ 813.22	\$ 841.68	\$ 871.14	\$ 901.63	\$ 933.19
Water Volumetric Charges (Per 1,000 Gallons)						
	(water volumetric charges will increase by 5.0% annually)					
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Residential						
Level 1: 1000, 2000, & 3,000 gallons	\$ 6.47	\$ 6.79	\$ 7.13	\$ 7.49	\$ 7.86	\$ 8.26
Level 2: 4,000, 5,000, & 6,000 gallons	\$ 9.44	\$ 9.91	\$ 10.41	\$ 10.93	\$ 11.47	\$ 12.05
Level 3: Over 6,000 gallons	\$ 13.21	\$ 13.87	\$ 14.56	\$ 15.29	\$ 16.06	\$ 16.86
Non-Residential	\$ 7.84	\$ 8.23	\$ 8.64	\$ 9.08	\$ 9.53	\$ 10.01
All Outside Service Area	\$ 9.16	\$ 9.62	\$ 10.10	\$ 10.60	\$ 11.13	\$ 11.69
Water Volumetric Charges Leaks Only - Residential						
	(water volumetric charges will increase by 5.0% annually)					
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Level: 1 Under 4,000 gallons	\$ 6.47	\$ 6.79	\$ 7.13	\$ 7.49	\$ 7.86	\$ 8.26
Level: 2 Over 4,000 gallons	\$ 9.44	\$ 9.91	\$ 10.41	\$ 10.93	\$ 11.47	\$ 12.05
Wastewater Monthly Base Charge						
	(wastewater monthly base charge will increase by 3.0% annually)					
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
All Meter Sizes	\$ 32.37	\$ 33.34	\$ 34.34	\$ 35.37	\$ 36.43	\$ 37.53
Volumetric Wastewater Charges (Per 1,000 Gallons)						
	(wastewater volumetric charges will increase by 10.0% annually)					
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Residential	\$ 9.86	\$ 10.85	\$ 11.93	\$ 13.12	\$ 14.44	\$ 15.88
Commercial	\$ 11.56	\$ 12.72	\$ 13.99	\$ 15.39	\$ 16.92	\$ 18.62
Industrial	\$ 11.56	\$ 12.72	\$ 13.99	\$ 15.39	\$ 16.92	\$ 18.62
Wastewater Monthly Availability Fee						
	(wastewater monthly availability fee will increase by 3.0% annually)					
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
	\$ 28.15	\$ 28.99	\$ 29.86	\$ 30.76	\$ 31.68	\$ 32.63

Washington County Service Authority Board of Commissioners
June 7, 2024, 3:15 pm Called Meeting Rates and Fees Workshop Minutes

Motion by: _____ Seconded by: _____

Aye _____ Nay _____ Absent _____

This _____ day of _____.

Wayne Campbell, Chairman

Attest:

Assistant Secretary/Treasurer

Washington County Service Authority Board of Commissioners
June 7, 2024, 3:15 pm Called Meeting Rates and Fees Workshop Minutes

Agenda Item: 7	Consideration Fiscal Year 2025 Proposed Budget
Presenter(s):	Controller / Acting General Manager
Beginning Time:	4:32
Potential Conflict(s) of Interest and Abstention(s):	
Background:	WCSA Staff has created the preliminary FY2025 Budget which was emailed to the Board of Commissioners on Friday, May 17 th , 2024, for review. The preliminary budget file consists of: O&M Budget, Capital Expenditures Budget, Capital Project Budget, and Project Cash Flows Budget. The preliminary FY2025 Budget was created using assumptions based of the rate study model produced by Raftelis and presented to the Board of Commissions in a called meeting on June 7 th , 2024.
Discussion:	Wait until rates have been approved before budget approval. Need a budget workshop scheduled before June 24 meeting. D. Miller requested a line-by-line budget to be sent to all commissioners for review. It was also agreed upon all questions related to the line-by-line budget would be emailed to Dwain Gilbert by EOB June 20, 2024. A budget workshop will be scheduled at 4:00pm before the June 24, 2024, regular meeting. D. Gilbert will email budget by June 10, 2024, to all board members. Board members will review the budget and have questions back to Dwain Gilbert by June 20, 2024, so that a discussion can take place during the 4:00pm workshop scheduled for June 24, 2024.
On the Record:	
Enclosures:	
Recommendation:	Subject to answering any questions that the Board may have, and that the rates Raftelis recommend are approved, that the Board vote to adopt the preliminary FY2025 Budget as the official FY2025 Budget at the regularly scheduled Board Meeting on June 24 th , 2024.
Proposed Motion:	That the Board move to table the vote on the FY2025 Budget until after rates are approved at the regularly scheduled Board Meeting on June 24 th , 2024.
Actual Motion:	Board move to table the vote on the FY2025 Budget until after rates are approved at the regularly scheduled Board Meeting on June 24 th , 2024.
Motion By:	K Taylor
Second By:	C Miller
Voting:	Ayes: 6
	Nays: 0
	Abstain: 0
End Time:	4:47

Washington County Service Authority Board of Commissioners
June 7, 2024, 3:15 pm Called Meeting Rates and Fees Workshop Minutes

Agenda Item: 8	Adjourn
Presenter(s):	Commissioner
Beginning Time:	4:48
Potential Conflict(s) of Interest and Abstention(s):	None
Discussion:	None
On the Record:	None
Actual Motion:	Motion to adjourn.
Motion By:	K Taylor
Second By:	C Miller
Voting:	Ayes: 6
	Nays: 0
	Abstain: 0
End Time:	4:54



 Wayne Campbell, Chairman



 Holly Edwards, Assistant Secretary