



# Service Authority

K. Jack Kooyoomjian, Ph.D., Chairman  
Joyce P. Eagles, Vice Chairman  
Marlo Thomas Watson, Secretary-Treasurer  
Mark Allen, Member  
Jim Almond, Member  
B. Paul O'Meara, Jr., Member  
Harry W. Wiggins, Member

Dean E. Dickey, General Manager

## MINUTES OF BOARD OF DIRECTORS BUDGET WORK SESSION OF APRIL 26, 2021

- Board Members Present : Jim Almond, Joyce P. Eagles, K. Jack Kooyoomjian, Ph.D., B. Paul O'Meara, Jr., Marlo Thomas Watson, and Harry Wiggins (via telephone).
- Staff : Dean E. Dickey, Lake Akinkugbe, Lyle Beefelt, Samer Beidas, Michael Fox, Dave Guerra, Keenan Howell (via telephone), Astrid Nelson, Theresa O'Quinn, Tony Piccione, Doug Shoop, Brian Sipes, Shannon Spence, Renee Thompson, Jeanetta Williams, April Bean and Kim Murray.
- Absent : Mark Allen

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Mr. Wiggins called into the meeting at 6:40 PM (from New Jersey for personal reasons).

Chairman Kooyoomjian opened the Work Session at 6:48 PM.

Mr. Shoop provided a briefing on a water main break that occurred this afternoon.

### 1. BUDGET WORK SESSION

#### a) Proposed Fiscal Year 2022 (FY22) Operating and Capital Budget

Board Members were provided a copy of the Budget briefing for tonight. Mr. Dickey advised the Board this is a work session; staff is not expecting Board Members to vote on anything at this meeting. He noted the budget is based on achieving the Board's vision. Mr. Dickey explained how the Service Authority's rates compare to other utilities (our comparators) in the Northern Virginia area; the Authority's rates are the second lowest among its comparators (as of July 1, 2021).

Mr. Dickey shared the following FY22 Budget Assumptions: No rate increase in FY22; resume suspended work; address pay-for-performance to remain competitive with the market; and continue to seek efficiencies and process improvements.

Mr. Dickey commended staff for their outstanding efforts throughout the past two years. Those efforts include reduced spending and curtailed work where possible to offset the increase in the Fairfax Water wholesale rate (FY20) and the unknown economic impact of the pandemic (FY20-21). Examples include: Delayed hiring; paused inflow and infiltration cured-in-place pipe program; slowed valve exercising, pump maintenance, and sewer inspection preventive maintenance activities; delayed

cybersecurity initiatives; deferred some construction and other projects; and postponed some employee training. The result is a backlog of work (loss of training, loss of key staff, etc.).

Mr. Dickey shared general information on employee compensation, retention and related concerns. Staff provided copies of two articles to Board Members regarding anticipated employee turnover in the general workplace.

Mr. Dickey recommended the Board approve the proposed budget to help retain staff and improve morale by providing pay-for-performance recognition. He also recommended the Board proceed with the planned rate study in the summer/fall of 2021.

Mr. Akinkugbe presented the proposed FY22 Operating Budget to the Board of Directors.

Mr. Beefelt presented the proposed FY22-FY26 Capital Budget to the Board of Directors.

Discussion followed.

Mr. Wiggins asked about using fund balances to lower rates; Mr. Beefelt discussed the rate setting process, the flow of operating revenues and developer charges into each fund and how the target balances are set. This year's planned rate study will update the Service Authority's long-term financial projections and examine rates, developer charges and fund balance targets in order for the Service Authority to set its FY22 – FY24 rates.

Mr. Dickey stated staff will analyze Mr. Wiggins' suggested approach to provide declining percentage increases to salary based on employee salary bands. Mr. Dickey will also have staff look at the need and budget impact of additional staffing levels in response to questions from Mr. O'Meara and Mrs. Thomas Watson. He also agreed to provide a list of individuals who have separated from the Authority (including their salaries).

Mr. Almond suggested Board Members discuss their opinions on performance pay in a separate meeting.

Mr. Dickey invited Board Members to send any additional questions to him. The proposed FY22 Operating and Capital Budget will be presented to the Board at the May 13, 2021 Board of Directors meeting for approval.

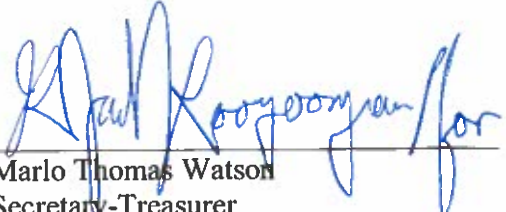
2. CLOSED MEETING

No closed meeting was held.

3. ADJOURNMENT

The meeting adjourned at 9:22 PM.

Mr. Wiggins disconnected his call at 9:23 PM.

  
Marlo Thomas Watson  
Secretary-Treasurer