



Service Authority

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

Calvin D. Farr, Jr., P.E., General Manager/CEO

MINUTES OF BOARD OF DIRECTORS BUDGET WORK SESSION OF APRIL 28, 2022

Board Members Present: Jim Almond, Dean Dickey, Joyce P. Eagles, K. Jack Kooyoomjian, Ph.D., B. Paul O'Meara, Jr., Marlo Thomas Watson, and Harry Wiggins.

Staff : Calvin D. Farr, Jr., Sandra Hardeman, Hari Kurup, Astrid Nelson, Don Pannell, Lake Akinkugbe, Lyle Beefelt, Samer Beidas, Kathy Bentz, David Guerra, Tony Nguyen, Rod Payton, Brian Sipes, Shannon Spence, Renee Thompson, April Bean and Kim Murray.

Legal Counsel : Mark Viani/Bean, Kinney & Korman, P.C.

1. CALL TO ORDER

Chairman O'Meara opened the Work Session at 5:02 PM.

Mr. Almond arrived at 5:06 PM. Ms. Thomas Watson arrived at 5:10 PM.

2. STAFF PRESENTATION

Proposed Fiscal Year 2023 (FY23) Operating and Capital Budget

Mr. Farr noted the proposed FY23 Operating and Capital Budget was developed in accordance with the Board's vision and guidance. It reflects a continued high performing level of service to our stakeholders through regulatory compliance, preventative maintenance, and necessary replacement projects; it reflects an emphasis on our people through recruitment, retention, and Diversity and Inclusion initiatives; and our technology initiatives include improvements to our online customer experience, additional cyber security funding, and the systems needed to support and be efficient in our work. The current labor market and inflation had a significant impact on the budget this year. While our fund balances are projected to fall, we still expect to be within the targets at the end of the year, and we will return to the Board in the fall with rate recommendations for the next three years.

Mr. Akinkugbe presented the proposed FY23 Operating Budget to the Board of Directors.

Mr. Wiggins asked how many position vacancies there are right now; Ms. Hardeman advised there are 38 vacancies, which includes new positions that have been added. Mr. Wiggins asked the average salary of the 38 vacancies. Staff will provide that answer soon.

Mr. Colangelo asked about the cyber budget. Mr. Kurup discussed cybersecurity and staffing. Mr. Farr suggested holding future sessions with Board Members to discuss cybersecurity measures.

Mr. Akinkugbe presented the proposed FY23 Capital Budget.

Mr. Wiggins questioned why the Service Authority needs the English Country Gardens property. He asked why the Service Authority doesn't build something at the current Spittle facility and/or nearby excess county property and sell the English Country Gardens property. Mr. Farr and Mr. Pannell offered to provide a briefing to Board Members on the reasons the Board previously approved that purchase.

Mr. Wiggins noted there is currently no certification for contractors' employees who perform water storage tank rehabilitation work. He stated he would like to see professional certifications included in the bid packages. Mr. Pannell noted when contracts are awarded, the contractors do have certain certifications and must submit a safety plan that is reviewed and accepted by the Service Authority. He stated that staff is investigating additional certifications.

Mr. Wiggins asked what liability Dominion Energy has for corroded water lines from the heavy metals and corrosives that leach into the lines from their waste ponds.

Mr. Dickey noted that, in the past, the Service Authority had moved quickly on some significant capital expenditures such as the purchase of Upper Occoquan Service Authority (UOSA) capacity and the purchase of Fairfax Water capacity, and that the Service Authority had been able to act quickly in those situations because it had sufficient fund balances.

3. BUSINESS GOALS

Mr. Akinkugbe presented the Business Goals for FY23.

Mr. Wiggins asked why staff follows industry benchmarks if they achieve and exceed them every year. Mr. Akinkugbe discussed the source of industry benchmarks and positive trends in the Service Authority's results. Mr. Farr commented on keeping the national benchmarks and adding a column for the Service Authority's "annual goal" for each metric.

Mr. Wiggins commended staff on the excellent presentation. He noted he has caveats with the Budget that he would personally like to see as commentary on the budget. He will send them to Mr. Farr for discussion at the May 12 Board meeting.

Mr. Dickey noted something to think about at the upcoming Board Vision Work Session is having the Vision include the Service Authority being an Employer of Choice. It used to be part of the Board's Vision, but it was removed, and other, more specific, items were added. He congratulated staff on their work and Mr. Akinkugbe on the presentation.


Board Members thanked staff for their work in preparing the FY23 Operating and Capital Budget. Mr. Farr thanked Board Members for their time and questions.

4. CLOSED MEETING

A closed meeting was not needed.

5. ADJOURNMENT

The meeting adjourned at 6:42 PM.



Harry W. Wiggins
Secretary-Treasurer