

Final Organizational Assessment Study

Fauquier County Water and Sanitation Authority, Virginia

June 18, 2018

Table of Contents

LETTER OF TRANSMITTAL

Table of Contents

EXECUTIVE SUMMARY	2
INTRODUCTION	4
METHODOLOGY.....	5
STUDY ANALYSIS.....	6
SUMMARY	55
APPENDIX	

MISSION STATEMENT

Springsted provides high quality, independent financial and management advisory services to public and non-profit organizations, and works with them in the long-term process of building their communities on a fiscally sound and well-managed basis.

Springsted Incorporated
9097 Atlee Station Road, Suite 100
Mechanicsville, VA 23116



Tel: 804-726-9750
Fax: 804-277-3435
www.springsted.com

LETTER OF TRANSMITTAL

November 29, 2017

Mr. Raymond E. Graham, Chairman, and Members of the Board of Directors Fauquier County Water and Sanitation Authority
7172 Kennedy Road
Warrenton, Virginia 20187

Re: Organizational Assessment Study

Dear Chairman Graham and Members of the Board:

We are pleased to provide our draft (now final¹) organizational assessment for the Fauquier County Water and Sanitation Authority (FCWSA) to the Board of Directors. This study includes an examination of all divisions under the direction of former General Managers and soon to be appointed Executive Director (formerly designated as General Manager). After reviewing the operations of individual divisions, the consulting team identified numerous recommendations for changes in the Authority's organizational structure, operational practices, and a need for adjustments to staffing patterns in several divisions to ensure the continued efficient delivery of services to the Authority's customers in the future.

The consulting team's findings are based on our analysis of information provided by FCWSA divisions, on-site interviews with Board members, members of the Board of Supervisors, division directors and other key staff, comparative data from similar Virginia water and sanitation authorities, and information drawn from a variety of pertinent documents, reports, and internet resources. Drawing upon the local government and public and private utility experience of the consulting team's members, we submit for your consideration a series of general overview and Authority-wide and division specific recommendations based upon an independent evaluation of the information we obtained. These recommendations represent what we believe, in our professional judgment, to be in the long-term and best interest of Fauquier County Water and Sanitation Authority.

The consultant team expresses our thanks to you and the Authority's division directors and their employees for the cooperation and support provided throughout this engagement. Springsted Incorporated hopes that it will be our privilege to serve the FCWSA in the future.

Respectfully submitted,

Handwritten signature of John A. Anzivino in black ink.

John A. Anzivino, Senior Vice President

Handwritten signature of Nick Dragisich in blue ink.

Nick Dragisich, Executive Vice President

¹ A draft report was delivered in November 2017. This report is marked final, but is unchanged from the draft and was forwarded through Steven Miner, Springsted Vice President.

Executive Summary

The Fauquier County Water and Sanitation Authority (hereafter referred to as the “FCWSA”) engaged Springsted Incorporated in July 2017 to conduct a review of the Authority’s policies, operational effectiveness and efficiency along with organizational structure and staffing levels to assess the operational efficiencies of the Authority, current staff capacity of the organization and to determine how effective the organization was in meeting its mission.

The area served by the FCWSA, has experienced moderate population growth, and will continue to do so given Fauquier County’s comprehensive plan, the plan’s focus on service districts, and the County’s proximity to Northern Virginia. The Authority while meeting budget challenges brought on by the recession of 2008/09, the wide variety and types of water and sewage systems the Authority operates, the geographic ‘spread’ of the systems, and unexpected and unanticipated changes in management, has shown moderate growth of its customer base, paralleling the growth of the County. The resulting changes have placed stress upon the WSA’s ability to maintain its level of service within existing financial parameters. It is anticipated that the County and its service areas will continue to grow slowly, as indicated in the table below, placing further demands on the WSA and its ability to serve both current and new customers as new regulatory and operational challenges arise.

Fauquier Water and Sanitation Authority Customer Growth and Fauquier County Growth					
Fiscal Year	New Water Connections (1)	Total Water Connections (1)	New Sewer Connections (1)	Total Sewer Connections (1)	County Population (2)
2013	73	5,790	79	3,933	65,780
2014	225	6,015	122	4,055	66,573
2015	96	5,626	48	4,024	67,512
2016	150	5,906	116	4,219	67,898
2017	201	6,107	190	4,409	N/A
FCWSA Percentage Growth FY 2013-2017		5.5%		12.1%	
Fauquier County Percentage Growth FY 2013-2016					3.2%

(1) FCWSA FY 2017 CAFR

(2) Fauquier County FY 2016 CAFR

The impetus for this study results from a concern by the Board that the organization has not kept pace with changes in administrative and operational practices to meet the customers service demands consistently due to recent and long-term leadership issues and current staffing patterns and that future growth and system wide operational needs will further stress the organization and inhibit effective and efficient delivery of services to the Authority’s customers in the future.

The focus of this study was to:

- Assess the WSA’s current organizational structure
- Review the WSA’s operational policies and practices
- Assess the need for policy updates and revisions needed to improve efficiency and increase cost effectiveness for delivery of FCWSA services
- Examine the organization’s internal ‘culture’
- Assess the Authority’s current staffing levels
- Clarify responsibility and accountability of staff as needed
- Identify if adjustments to position descriptions are warranted to better reflect job requirements
- Recommend changes to the organizational structure that would increase efficiency and effectiveness, including streamlining and/or consolidating functions where appropriate
- Clarify decision making responsibilities on key financial and operational issues
- Identify methods to eliminate unnecessary work, duplications of effort and non-value-added activities
- Develop methods for improved communications within the organization, with the FCWSA Board, and with customers
- Consider alternate service delivery models and/or opportunities to outsource services
- Establish a process to facilitate continuous change that will increase the alignment of services with the Board’s strategic goals and customer desired outcomes
- Compare the WSA’s staffing levels to staffing levels of similar Virginia water and sanitation authorities
- Identify factors influencing those staffing levels
- Identify methods that the Fauquier County WSA could use to better evaluate the use of staffing resources

The study commenced with a meeting with the Board Chair and Vice Chair to review the study objectives, explain how the study would be conducted and discuss roles and responsibilities throughout the process in July 2017. The consultant was provided with relevant FCWSA documents needed to complete the study. Meetings were then held with the division directors and key staff members to review organizational arrangements, current staffing levels, mission, organizational structure, and objectives and to determine what challenges, if any, the division directors are experiencing with the FCWSA’s existing organizational structure and level of staffing.

The concerns expressed by Board leadership in our initial meetings are summarized below.

- Does the FCWSA operate efficiently?
- How can communications within the organization be improved?
- Is the WSA adequately staffed to meet current service delivery needs?
- Are current staff carrying too great of a workload?
- Does the staff’s experience and educational backgrounds match with their positions?
- How do we plan in meeting our customer needs?
- How is technology used to support staff and service delivery?
- Are policies adequate to support FCWSA functions?

In answering questions like those posed above, public, and private organizations often seek to compare their operations to those of similar entities. Often referred to as “benchmarking”, external comparisons can be helpful as a reference provided their limitations are recognized. For the purposes of this report, the FCWSA has been benchmarked against four (4) other Virginia water and sanitation authorities which are reasonably similar based

on a number of factors such as: number of customers, size of the area served, services provided and/or proximity to the WSA. The identified authorities used in the study are: Augusta County Service Authority, King George County Service Authority, Bedford Regional Water Authority, and James City Service Authority.

The Fauquier County Water and Sanitation Authority's Background and History

The Fauquier County Water and Sanitation Authority (the "Authority") is an independent political subdivision of the Commonwealth empowered by the Virginia Water and Waste Authorities Act - § 15.2-5100 et seq. of the Code of Virginia, 1950 and as amended, to provide public utilities throughout the County of Fauquier and is not a department of Fauquier County.

The Authority was first chartered in 1964 and incorporated for a period of fifty years. In 1975, the Authority was re-incorporated for a fifty-year period through 2025. The Authority is governed by a five (5) member Board of Directors who are appointed by the Fauquier County Board of Supervisors and serve for staggered four (4) year terms. The Authority derives no revenues from County taxes with the source of the Authority's operating expenses funded by its customers, through service fees. The Authority's capital expenses are funded by builders and the development community, through its availability fees.

The Authority owns and operates nine (9) public water systems in the areas of New Baltimore, Bealeton, Catlett, Marshall, Paris, Turnbull, The Plains, Opal and Remington, Virginia, serving a total of approximately 9,350 customer accounts. The Authority also owns and operates three (3) public sewer systems with a 2.0 Million Gallon per Day ("MGD") Wastewater Treatment Plant ("WWTP") in Remington, Virginia, a 0.64 MGD WWTP in Marshall, Virginia and a 0.950 MGD WWTP at Vint Hill Farms, Virginia, serving a total of approximately 8,500 customer accounts.

While recommendations are proposed for each division included in this study, it is important to note that certain conditions and patterns existing in multiple divisions led us to include Authority-wide recommendations developed in our general overview. These FCWSA-wide recommendations include the following guidance:

General Overview and Recommendations:

The FCWSA is an organization in need of major adjustments to update its policies and improve its internal functions and some external relationships. While slightly understaffed in planning of its operations careful consideration must be given to balancing resources and the timing of new hires. A revised organizational structure, as suggested in this report, will assist in better balancing current resources conducive to the efficient and best use of individual supervisor's time and may be adjusted over time as competing demands occur among shifting priorities.

- The Authority needs to focus on improving internal and external communications at all levels to ensure that all Board members, the Board of Supervisors, the Authority's staff, and customers have access to needed information in a consistent fashion and on a timely basis.
- The Board and the new Executive Director, with appropriate staff involvement, should begin work on a strategic plan and vision for the Authority.
- The new Executive Director should be focused on bringing the Authority up to 21st Century administrative and operational standards and should be, with the Board of Director's endorsement, charged with oversight of numerous policy updates, on a priority basis, contained within the FCWSA Operating Manual for the Board's adoption which will more clearly define operational parameters for the Authority.

- Accountability and communication at all levels of the organization should be emphasized.
- The Authority needs to focus on development of a long-range facility plan which better identifies opportunities and needs for Authority-wide improvements.
- The Authority needs to begin an assessment of current conditions in each service district and begin long-range planning for improvement to, or provision of services, consistent with the County's plans for the service district.
- The Board should, with the beginning of the Fiscal Year 2019 budget process, provide adequate
- funding for staff leadership training and professional development opportunities for all FCWSA staff.
- Consideration should be given to initiating an independently conducted study related to the use of technology by the FCWSA with the goal being to create a technology plan which will guide, coordinate, and plan for future in house maintenance needs and long-term investments in both hardware and software for all FCWSA divisions.

Introduction

The Fauquier County Water and Sanitation Authority's (FCWSA) Board of Directors engaged Springsted Incorporated to conduct an organizational assessment in late July 2017 to assess the current structure and staffing capacity of the organization and to determine how current operations will affect the provision of future FCWSA services to its customers. The impetus for this study results from a concern by the Board of Directors that internal and external communications within the organization and current operational practices need improvement and that many policies need updating to better serve current and future customers. For purposes of this study the chief executive officer is referred to as "General Manager" for prior actions of chief executive officers. In the future, the position title will change to Executive Director as determined by the Board in its ongoing recruitment to fill the chief executive officers position.

The study which follows, as outlined in the Authority's approved work plan, focuses on:

- Adjustments to position descriptions to better reflect job requirements
- Changes to the organizational structure that would increase efficiency and effectiveness, including streamlining and/or consolidating functions where appropriate
- Clarifying decision making responsibilities on key financial and operational issues
- Elimination of unnecessary work, duplications of effort and non-value-added activities
- Improved communications within the organization, with the FCWSA Board, and with customers
- Alternate service delivery models and/or opportunities to outsource services and/or to market FCWSA services to other entities
- Staffing allocations and reallocations, if warranted
- Assessing the need for policy updates and revisions needed to improve efficiency and increase cost effectiveness for delivery of FCWSA services
- Establishing a process to facilitate continuous change that will increase the alignment of services with the Board's strategic goals and customer desired outcomes
- Clarifying responsibility and accountability of staff as needed
- Assessing the existing staffing levels

These objectives will be addressed in greater detail in the following sections of this report.

Methodology

The study commenced with a meeting with the Authority's Chair and Vice Chair and subsequently the full Board in July 2017 to review the study objectives, explain how the study would be conducted, and discuss roles and responsibilities throughout the process. The consultant was provided with relevant FCWSA documents needed to complete the study by the Interim General Manager and staff. Meetings were then held with Board members, the Interim General Manager, division directors and key staff members in July and September 2017 to review organizational arrangements, staffing levels, mission, goals, and objectives, and to determine what challenges, if any, they are experiencing with the existing organization structure and levels of staffing. In addition, meetings were held on site or via telephone with four (4) of the five (5) members of the Fauquier County Board of Supervisors, the appointing body for the Authority. The following report includes information gathered from five (5) on site visits and numerous phone calls to staff, Board members, the Interim General Manager, and others. The process included visits and information gathering from a wide range of sources which included:

- Individual interviews with five (5) FCWSA Board members ranging in length from one (1) to three (3) hours each.
- Individual interviews of approximately forty-five (45) minutes each with available members of the Board of Supervisors. At the suggestion of the Board of Directors the consultant contacted the County's Board of Supervisors and requested interviews with all Board members through the County Administrator and Clerk to the Board. Meetings were somewhat difficult to schedule due to the Board members busy schedules. County staff was successful in scheduling meetings with four (4) of the Board members (Chairman Gerhardt and Supervisors McDaniel, Butler, and Granger).
- Interviews with fourteen (14) FCWSA staff members with each interview scheduled for approximately forty-five (45) minutes.
- Review and analysis of over one hundred (100) pages of notes obtained during interviews with staff and Board members which identified major issues, themes, and challenges which may need to be addressed by the Authority.
- Review of the Authority's Operating Manual and the various policies included within, the organization's internal culture, Board governance, organizational structure, staffing assignments and operations practices.
- Review of the Authority's organizational charts, FCWSA mission statement and division plans, current and past adopted budgets, most recent Comprehensive Annual Financial Reports, internal operational policies and procedures, capital improvement plan(s), long-range financial plans, staffing levels by position/divisions, and any succession plans, and/or relevant data to determine additional FCWSA succession planning needs.
- Review of the Authority's position descriptions
- Review of division workload indicators and performance measures
- Review of intergovernmental and/or private sector service agreements
- Review of other FCWSA reports documenting recent analyses or evaluations of programs and services

Finally, data was gathered from approved "benchmark" organizations that had a number of similarities to the FCWSA for comparative purposes as part a staffing analysis. Data was obtained from published reports and a survey of services obtained by each organization and compiled by Springsted and by follow-up calls to organizations where the data obtained appeared to be outside the norm of anticipated standards.

Information obtained was analyzed by Springsted staff and our review of the data, findings and recommendations follows.

Study Analysis

FCWSA's Organizational Culture

In conducting over twenty-five (25) hours of interviews and visiting the Authority's office on numerous occasions it appears that the Authority has several staff members who are knowledgeable in their field and are committed to the WSA's mission. However, it also appears that over a long period of time which extended during the tenures of several former General Managers, that the organization has developed a culture rooted in an outdated management model, lacking strong leadership and accountability, which lacks creativity in problem resolution, reflects an 'us versus them' attitude in both Board and external relationships, lacks transparency in conveying information both internally and externally, and has allowed basic policies to fall into obsolescence. Each of these are evidenced in events which occurred during the study such as incorrect bills that were not proof read prior to being mailed to the Authority's customers, or debt proceeds not being drawn down in accordance with Board directives as well as comments made to the consultants that the 'Board wants to micromanage', or 'we redact employee salaries in budget documents to avoid conflict among the workforce.' It is also borne out by first impressions of the organization portrayed in an unattractive outer office with files strewn over a wide range of surfaces, and professional staff regularly attired in blue jeans.

As a result of years of lax management, the organization is in a position where staff and Board relationships need to be improved and the overall focus of the organization redirected to be an organization which takes pride in its product, its proactive style, and its service to its customers.

Board Governance Background

The Fauquier County Water and Sewer Authority was created by the Fauquier County Board of Supervisors by resolution dated April 9, 1964, for a period of fifty (50) years and incorporated on May 20, 1964 as a Virginia corporation organized under the provisions of the Virginia Water and Sewer Authorities Act of the Code of Virginia, 1950, as amended. By resolution of the Fauquier County Board of Supervisors, dated April 10, 1975, the Authority's life was extended to 2025. The Authority was created for the purpose and purposes set forth in the Authority's Articles of Incorporation.

The Authority is governed by a five (5) member Board with each member appointed by the Board of Supervisors for a four (4) -year staggered term, with members currently representing the five (5) magisterial districts of the County. Current Board members bring a wide range of public and private sector experience ranging from public finance, to hydrogeologic, to project management to health insurance and risk management, providing a blend of private and public-sector expertise to issues faced by the Authority. During our discussions with current Board members and staff it was discovered that when a first-time member is appointed to the FCWSA Board no familiarization with the Authority, its procedures, operations, or assets is provided, and the new Board members first formal Board meeting is often their first exposure to the Authority and the issues it is dealing with. Consequently, even Board members with significant expertise in their professional fields start off with limited knowledge of the Authority, its purpose, administrative and Board processes and the Authority's operations. During our research, we found that while new Board member orientation sessions were conducted for newly appointed members several years ago, recent leadership has allowed the practice to lapse and these sessions have not taken place.

Board Operations

Operations of the Board and the Authority are governed by the Authority's original Articles of Incorporation and a Board adopted set of by-laws (revised in October 2015) which outline the duties of the Board, responsibilities and officers of the Authority, committee structure, meeting structure, frequency, and rules of order. Officers of

the Authority (Chairman, Vice Chairman, Secretary and Treasurer) are elected annually at the Board's organizational meeting, typically conducted in January.

Duties of all officers are clearly delineated within the by-laws. As allowed by the Authority's by-laws the positions of Treasurer and Secretary have been combined into a single position of Secretary/Treasurer. The Board functions with four (4) distinct standing committees and occasionally appoints ad hoc committees to address special issues and challenges as they arise. Each committee is assigned two (2) Board members by the Chairman as primary participants. Current standing committees include:

Executive Committee - The Executive Committee is responsible for making recommendations to the Board concerning: procedures relating to contracts, agreements, legal issues, general policy statements, capital improvements plan, rules and regulations, and the Authority's By-Laws. The Chairman is designated as Chair of the committee and serves with one (1) other Member appointed by the Chairman.

Personnel Committee - The Personnel Committee is responsible for making recommendations to the Board concerning: all matters and procedures relating to personnel policies, staffing, pay and compensation, and cost-of-living adjustments.

Finance Committee – The Finance Committee is responsible for making recommendations to the Board concerning: all matters and procedures relating to budget, rates, fees and charges and the Authority's purchasing policy.

Audit Committee – The Audit Committee is responsible for making recommendations to the Board concerning: all matters and procedures relating to the selection, retention, and oversight of auditing services for the annual audit. The Authority's Treasurer, as stated in the By-laws, does not serve on the Audit Committee to avoid conflicts.

The Board currently has one ad hoc committee, the Building Committee, which was appointed to serve as a committee related to future facility issues. All Board members, except one, serve on two (2) Authority committees.

The Board appoints a General Manager (in the future, 'Executive Director'), for an unspecified term, who serves as the Authority's Chief Executive Officer and who serves at the will and pleasure of the Board. Typical with municipal practices, the General Manager (Executive Director) has responsibility for day to day operational decisions, bringing matters before the Board for resolution, and is responsible to the full Board for effecting Board policy and ensuring general operations are carried out efficiently. This is made clear in the Board's By-Laws that Board members may not individually between Board Meetings, without the approval of the Board, direct the staff of the Authority to undertake any action without the approval of the Chairman and the supervision of the General Manager (Executive Director). This is a typical public sector 'best practice' which limits confusion among staff in regard to reporting relationships and, with an effective relationship between the Board of Directors and the General Manager (Executive Director), results in more efficient allocation of staff resources and time.

The Board also appoints a Board attorney and/or other legal and professional advisers who provide guidance on issues related to Board business. The current Board attorney and other advisers serve without engagement letters or contracts and bill the Authority on an hourly basis for services provided.

Our general observations of the Authority, its operations and staff are that the Authority has a difficult mission to

achieve due to the disjointed and varied nature of the utility systems it operates, the wide variety of types of operations and their geographic distribution. In addition, we believe that over the years a culture has developed in the organization, due to a lack of strong and committed leaders serving in the role of General Manager, that relates best to organizations of the 1960's where staff was in control and boards were in place to approve staff recommendations. In addition, we believe that due to a lack of former General Manager's pride in the Authority and somewhat isolationist attitudes that the image of the Authority has suffered. This is evident in a variety of ways and manifests itself in employee dress in the Authority's offices, where blue jeans appear to be considered 'business casual, the appearance of the outer office and the lack of Authority identification on all agency vehicles. While seemingly minor, each of these when combined portray an organization which is not performing at the highest level for its customers.

Board Discussion Summary

Each member of the Board of Director's was interviewed separately to learn more about how the Board worked with staff and how members worked together as a governing body. The Board has established a mission statement, which notes that, "*It is the mission of the Fauquier County Water and Sanitation Authority to provide central water and sewer services to both existing and future customers at the lowest practicable rates, consistent with the County's Comprehensive Plan, that meets or exceeds the quality of the requirements established by Commonwealth and Federal regulatory standards.*" The Board has not developed and adopted either a vision for the Authority or a strategic plan to assist in fulfilling its mission and for many years appears to have been an agency which was dominated by General Managers who promoted an environment which lacked strong leadership and a vision for the staff. This leadership style appears to have resulted in a lack of trust between the staff and the Board concerning the flow of information and a general disconnection between what the Board sees as policy priorities and current process and staff attitudes which have developed over the years. Because of this, in many cases, in recent discussions with several Board members they expressed a high level of frustration with the levels of communication with staff. As anticipated, and as typical with organizations which effect a separation of a chief executive officer, the Board has taken on a more active role in problem resolution in conjunction with daily operations of the Authority.

Individual discussions with Board members resulted in the following themes being identified. These included:

- The Authority's mission is not well-defined, and the Authority lacks a strategic plan and a long-range financial plan (operations, capital and equipment). Because of a lack of long-range planning, both the Board and staff are reactionary in dealing with issues.
- Communication among the Board members is/are inconsistent – Board members indicated a wide range of concerns in this area. Some of these included comments from a Board member who was assigned to a committee to meet with the County's School Division concerning water quality issues in schools served by the Authority who was informed by another Board member that the committee had concluded meetings which he was not made aware of. A second Board member indicated that the Board member was not made fully aware of the details of the former General Manager's departure until it was formally announced to staff.
- A need exists to better communicate with the Board of Supervisors and County Administrator for long-range WSA issues in the various service districts. Members of the Board's Liaison Committee indicated that representatives of the two Boards had not met recently and that a higher level of communication and coordination would be helpful as both bodies work to improve the County.
- The Board has not caught up with use of technology (electronic Board Packets). As noted in a later section of this report the Authority's Executive Assistant/ Clerk to the Board personally delivers hard copies of the Board packet to Board members on the Friday preceding each Board meeting. This requires a significant amount of staff resources (time) which could be mitigated through use of electronic packets like many other governing bodies use.

- Board members, according to our discussions, have a high-level of experience in a wide range of areas ranging from insurance to accounting, to hydrogeologic, and project management. While not wanting to be involved in day to day operations issues many Board members felt that because of relationships with past General Managers that a divide has developed with staff not fully appreciating the Board's level of expertise and believing that they (staff), as technical experts knew best how to solve problems with minimal Board involvement and input. Because of this many Board members indicated that the new Executive Director will need to consider how to best communicate with all Board members, recognizing their levels of expertise and, where appropriate, tapping their expertise to assist in resolving Authority related issues and problems.
- Prior General Managers have not provided periodic updates on a scheduled basis to the Board of Directors concerning Authority projects and developing issues and in some cases, some Board members have not had contact with the General Manager, except in Board meetings. In addition, complex issues have not been allocated enough time for Board members to gain a thorough understanding of the issues and many issues requiring Board approval, such as resolutions, etc. are received on Friday for formal action during the next Tuesday's Board meeting. These seem to be consistent with the culture of the organization where staff communication with the Board has been one of providing the minimum amount of information to the Board as possible.
- Transparency is an issue. Staff indicated that areas of the budget where salaries in the Authority's operating budget can be found were redacted to avoid staff members knowing what other staff were paid. While this is a concern in most smaller organizations, the FCWSA is a public body and most public salaries are public information under state statutes. When questioned about this practice, the response was the employees can make a FOIA request if they want to know.
- Management has not always followed up on implementing Board directives. A recent event cited by numerous Board members related to this issue resulted in cash flow problems for the Authority and potential exposure to IRS penalties because designated staff did not believe in utilizing funds from a 'draw down' bond which the Authority issued and used cash held in reserve for future projects instead of the bond funds.
- Communications with Staff are Challenging – Board members indicated that staff reports, both oral and written, are written, or provided in technical terms and often do not provide reasonable levels of detail or alternatives. An example provided by one Board member concerned a hydrograph provided by the Authority's Engineering Director and its scale. In addition, a belief exists among the Board that staff is not as transparent as they should be in their reporting to the Board and a perception exists that the Board is "given as little information as possible". Several examples provided included that no report or update was provided to the Interim General Manager on correcting Marshall's sewer issue and information concerning updates on pump tests for new wells in Marshall were not provided to a Board member involved in the project. It was also noted, however, that more staff communication had taken place since the Interim General Manager was appointed and that staff had handled communications on the recent Rock Springs water line issue extremely well.
- A concern exists that some staff may not meet the minimum qualifications for the positions that they hold and that they are learning on the job.
- Staff (management) is perceived to have no sense of urgency in planning and completing projects, even when directed by the Board (everything takes 'a year and a half' to schedule and accomplish). Because of limited accountability for meeting Board objectives a management team culture has developed with some staff now exhibiting a "we know best" attitude when developing new projects and policies for Board consideration, with perceptions existing that some staff see Board as an appendage, not as a governing/policy making body.
- The former General Manager was good at improving customer service and staff has improved in this area.

- While lower level operational and field staff are viewed as being dedicated, efficient and effective in dealing with internal issues (such as customer service problems) and utility emergencies (line breaks), some management staff are viewed to be less than creative and bureaucratic in response to Board issues and questions and a perception exists that responses from staff to Board questions are not clear and complete.
- A recognition was provided by several Board members that staff training has lagged in recent years and recent hires may not be best hires, with the needed skill sets to meet the Board's objectives and that a higher level of technical expertise, particularly in long-range planning may be required.
- The Authority's Operating Manual (discussed within this section) is too large to manage and many sections are out of date. The entire Manual is also not posted electronically for public, staff or developer/engineer review. In the past, it was noted that one staff member managed and tracked updates but since the individual's departure it appears that no one has been responsible for oversight of needed updates. Consequently, sometimes amendments were made and entered. Sometimes amendments are made and not added. In addition, the Manual has been inconsistently amended for legislative changes as changes occur through the General Assembly leaving references to old Code sections in place. Because of the out dated nature of some policies and the wide range of policies included, a belief exists that the Manual needs a zero-based re-write. In reviewing the various sections of the Manual, it was discovered that while the Utility Standards, policies, and regulations (March 2016) and Safety policies have been adopted by the prior General Manager, not the Board, only minor edits have taken place in other sections of the Operating Manual.
- Prior General Managers job performance have not been formally evaluated by the Board on a consistent basis and no performance measures have been established by the Board for the General Manager to reach on a personal or Authority wide basis. In addition, Board members noted the need for quantitative performance measures for staff and programs and projects to fully understand if Authority funds were invested in a manner to ensure the most appropriate return on investment.
- The FCWSA lacks any identifiable or reportable performance measures for evaluating the efficiency of staff and its operations. A perception exists that the Authority staff does not fully appreciate the need to take a more 'business-like' approach to vetting project costs. During discussions with the Board examples of where members felt a more focused approach was needed included the Authority's construction and procurement standards which encouraged building to the highest standard, while not encouraging a thorough review of reasonable, less costly alternatives; a procurement system which operates under a Task Order process for study processes, which often is considered to be fluid, resulting in multiple changes which add to the project costs; the need for more carefully developed cost benefit analyses for projects which also consider reasonable, less costly alternatives; and development of well-crafted, thoroughly reviewed expenditure plans for both operating and capital costs. It was noted by several Board members that with discussions ongoing in conjunction with the Vint Hill system acquisition that a thorough, business-like financial analysis of cost benefit would be extremely important to the Authority in making a well-informed decision which benefits the system immediately and over the long-term.

The FCWSA Operating Manual

The Operating Manual serves as a guiding document for all FCWSA operations and includes a far- ranging set of policies which are in various states of review and update. Generally, the Operating Manual in the past was maintained by one staff person, and upon that individual's departure from the organization some sections began to fall into a state of obsolescence with many sections now out of date and in need of revision. The document consisting of seven (7) volumes, with various sections consists of approximately 1,000 pages many of which exist only in a three-ring binder and many are not available electronically. Each section works to define policy for the organization, but in some case, are more instructional in nature for staff and in others such as the recently revised

Utility Standards and Safety sections have major impacts on internal and external operations. As a component of our analysis we have reviewed each section and have offered comments where appropriate.

- Volume 1, Part A, By-Laws- FCWSA's By-laws were updated in 2015 and appear to be complete and up to date.
- Volume 2, Part A – Rules and Regulations - The purpose of this part of the Authority's regulations, adopted in 2007, is to establish rules and regulations for the Authority in accordance with state laws which are applicable to the public water and sanitary sewerage facilities which are or may, in the future, be under the authority of the Authority. As such the section establishes rules and regulations which govern the use of public water and sanitary sewerage facilities when utilities are proposed for use for residential, business, commercial, or industrial purposes within the County. Of note, the Code of Virginia has been recodified and the State Code citations referenced are no longer valid. While the section is clear about systems being brought into the WSA for their operation the section needs to be reviewed to ensure it meets current needs and, at a minimum, appropriate State Code citations should be included.
- Volume 2, Part B -Rates, Fees and Other Charges- This section, updated and approved by the Board is generally well-written and is assumed to be up to date due to the July 1, 2017 date provided. Of note, a history of rate changes is included, and this should become a practice for all sections of the Operating Manual. In reviewing this section, it appears that more detail may be required in the process utilized for customer cut offs for customers which are severely delinquent. While the section discusses interest and penalties for delinquent accounts, the process for customer cut-offs is not included and memorializing this process will avoid confusion among staff and customers. In addition, Section 1.10 which addresses termination/reconnection charges notes, "Since the Authority is billed by the Town of Remington for its Termination/Reconnection expenses, or incurs additional direct overhead expenses when services are Terminated/Reconnected, these charges must be paid in full before service is restored" appears to be specific to one part of the system when the practice should be considered for all components of the FCWSA's systems. Finally, it was noted that during the most recent rate study and in studying the revenue accounting practices of the Authority that the Operating Code references the American Water Works Association (AWWA) rate setting manual as a guiding document for the Authority. However, the document had not been obtained by Authority staff and, consequently, booking of some revenues (availability fees) were not in conformance with AWWA recommendations.
- Volume 2, Part C – Cross Connection Control Plan -The Authority's cross connection control plan as provided in the WSA's Operating Manual appears to have been originally approved on June 27,1995 and at that time tracked the process and requirements outlined and approved by the Virginia Department of Health (VDH). VDH's regulations which provide guidance to water treatment permit holders been revised since adoption of the WSA's plan and while it is likely that notification would be made by VDH to permit holders that were non-compliant, the WSA may wish to review its current plan to ensure that it meets VDH standards.
- Volume 2, Part D – Pretreatment Plan- The Authority's pretreatment plan as provided in the WSA's Operating Manual appears to have been originally approved on November 23,1994 and at that time tracked the process and requirements outlined and approved by the Virginia Department of Environmental Quality (DEQ). DEQ's regulations which provide guidance to wastewater treatment permit holders has been revised since adoption of the WSA's plan (last amendment 2012) and while it is likely that notification would be made by DEQ to permit holders that were non-compliant, the WSA may wish to review its current plan to ensure that it meets DEQ standards.
- Volume 3, Part A – Correspondence – The Authority's Correspondence Standards lay out a detailed manner for addressing the public in written form and indicate that all correspondence "should reflect professionalism and the principles of Total Quality Management (TQM) - "to resolve the issue now".

However, TQM is referenced in no other part of the Authority's policies and many staff are unaware of TQM principles. The policies also provide guidance to staff on what types of correspondence they may prepare and send and reserves the responsibility for any correspondence which establishes a policy of the Authority as having to be signed by the General Manager as the representative of the Board, as well as correspondence denying requests, or which are adverse in nature. The policy, which also includes directions on how to prepare correspondence and formatting guidance for memorandums and letters, while beneficial appears to be misplaced in a series of operations policies and appears to be more appropriate as an inclusion with a separate set of internal administrative policies covering financial, correspondence, customer service and other areas more specific to administrative matters.

- Volume 3, Part B – Customer Service and Billing- The Authority's customer service and billing section of the Operating Manual was last updated on April 28,1998. The Section provides clear guidance and examples of correspondence to staff on collection of leak allowances, delinquent bills and billing and collection in general. In addition, an appeals process for leak adjustments is clear and concise. Of note, the cut off section is brief and should be expanded to add additional efforts to reach out to delinquent customers and reinstatement of service.
- Volume 3, Part C - Developer Service Procedures – The FCWSA's Developer Service Procedures have been recently updated (March 28, 2017). The procedures indicate that the while the original procedures have been adopted by the Authority Board, that conditions and modifications to the procedures are subject to the approval of the General Manager and the approved amendments shall take effect immediately and shall be reported to the Authority Board on a quarterly basis. The procedures, reworked under the general direction by the Associate General Manager- Operations, by the Engineer, are generally well done and adequately lay out the process and requirements for submission of plans and acceptance of the improvements.
- Volume 3, Part D – Financial Policies, Procedures and Internal Controls – The Authority's current 'financial policies' focus on customer billing and collections and purchasing and are not the typical financial policies which deal with debt limits, debt coverage, cash flow and reserves and other policies important to complex financial organizations in today's environment. The current 'financial policies' are, however, well-developed in establishing clear process lines for staff in collecting and disbursing funds as well as auditing internal accounts.
- Volume 3, Part E – Engineering Administration- The Engineering Administration section of the Manual, last updated in 1997 (June 25), lays out the process for cataloguing and establishing plan submission and review processes, identifiers for new projects and subdivisions and established inspection requirements (by FCWSA staff). With the exception of references to an outdated position (Comptroller), the policy appears to lay out clear and concise methods of submission of plans and identifying projects for future reference and inspections.
- Volume 3, Part F- Operations and Maintenance Procedures -This section of the Operating Manual, according to information received includes sections on safety waterworks, wastewater works operations and maintenance is, "still being written as outlined below". An outline follows, which includes the items above. The page is dated, June 27,1995 and it appears that no formal policies have been developed and adopted by the Board for inclusion in the Operating Manual. It is our assumption that much of the information outlined in this section is covered in the permit requirements issued by regulatory agencies and in operations manuals, where they exist for various treatment plants and systems operated by the Authority.
- Volume 3, Part G – Laboratory Procedures— The FCWSA's laboratory procedures, approved in 1995, are very specific in conjunction with the types of wastewater testing required (possibly to meet the requirements of then current permits) and much of the equipment used in the testing processes and references specific standards current at the time of adoption. In addition, described processes are specific to the equipment referenced. Given changes in testing equipment and processes since adoption

- this section should be reviewed to ensure current practice matches the adopted standards.
- Volume 3, Part H – Identity Theft Protection Program- The FCWSA’s Identity Theft Program, adopted in 2009, is well-intentioned, and focused on protecting the Authority’s customers. The policy indicates that the program shall be reviewed by the Chief Financial Officer and updated (if necessary) at least once a year and amendments approved by the Board to reflect changes in risks to customers or to the safety and soundness of the organization from a variety identity theft based indicators. Recommendations for changes are to be provided in a report to the Chief Financial Officer provided by staff. However, since the policy appears not to have been updated since its adoption it is in need of review, particularly given the rapidly changing environment of identity theft and an apparent lack of review on the part of the staff.
 - Volume 3, Part I- Post Issuance Compliance Policy – While a policy exists, the Associate General Manager – Chief Financial Officer indicated that the policy needs to be reviewed and updated. In reviewing the undated policy included in the Operating Manual the policy appears to cover the requirements for post-issuance of publicly issued debt. However, references to items such as, ‘Midwestern Disaster Area Bonds’, call into question whether the policies are specific to the FCWSA. The policy should be reviewed by the Authority’s financial advisor and bond counsel. (Subsequent conversations with the Authority’s General Counsel resulted in an updated policy which was developed during the Board’s recent debt issuance, being provided which is well-defined, but not included in the Operating Manual.)
 - Volume 4, Part A- Personnel Policies – The Authority’s Personnel Policies are in need of review and reaffirmation by the Board, having had formal changes last adopted in June of 2005. Conversations with staff noted that a significant update was completed in 2015 with the assistance of legal counsel (Hunton and Williams), but that formal review and adoption by the Board was held in abeyance while the Authority’s By-laws were under review and due to the departure of the Authority’s former Human Resources Director.

The current policies, available on the FCWSA website (intranet), provide a wide range of guidance related to employment issues, laying out a wide range of disciplinary and hiring procedures, outlining benefits, types of leave, compensation practices, maintenance of the classification and compensation system, employee recognition, types of leave, nepotism, accepted levels of conduct and dress, etc. It is interesting to note that the policies also provide protection for employees who bring forth instances of improper conduct, fraud, abuse, etc. through a formal ‘whistleblower’ policy statement.

In reviewing the policies several outdated practices (limiting recruitment of employees to VEC processes) and terminology were observed (a ‘Comptroller’s’ position no longer exists, but is referenced.). In addition, it appears that many sections of the policies are overlooked, or employees are unaware of their existence. For example, during the consultant’s several visits to the FCWSA offices conducted as part of this study many management level employees appear to have defined jeans as contributing to ‘a clear and neat appearance’ which requires them to dress according to the requirements of their positions. ‘Of note, a change in the policies adjusting work hours (from 8 am to 4:30 pm to 8:30 am to 4:30 pm) and shortening employees lunch hours from one hour to thirty minutes is provided through language stricken through in the policy with no formal date for the change, if different from the general adoption date for the policies. It should also be noted that many jurisdictions now work a forty (40) work week as a standard or offer varying levels of compensation for those who wish to work less. Of final note, the Authority offers a rich compensation and benefits plan, and until recently was paying 100% of the cost for all employee’s health insurance, while offering an expansive holiday schedule comprised of sixteen (16) days, when eleven (11) or twelve (12) is common for public agencies. The health insurance employee participation policy apparently was recently changed by staff, without significant Board discussion, in 2017, through the FY 2018 budget adoption process due to increasing costs and a five (5) year plan for increasing

employee contributions to match contribution rates with Fauquier County employees was initiated, again without formal Board discussion and final approval. Current holidays scheduled for Authority employees, as provided by staff, parallel holidays which may be declared by the Commonwealth of Virginia, with the exception of April 14 (General Manager's Day) and include:

2017 FCWSA HOLIDAY CALENDAR (As declared by the Commonwealth of Virginia)	
Date	Holiday
January 2	New Year's Day
January 13	Lee-Jackson Day
January 16	Martin Luther King Day
February 20	George Washington (Presidents) Day
April 14	General Managers Day
May 29	Memorial Day
July 3	Closed (Independence Day)
July 4	Independence Day
September 4	Labor Day
October 9	Columbus Day
November 10	Veterans Day
November 22	Close at Noon (Thanksgiving)
November 23	Thanksgiving
November 24	Day After Thanksgiving
December 22	Close at Noon (holiday time)
December 25	Christmas
December 26	Closed (holiday time)

In addition, the FCWSA allows employees the opportunity to gain annual increases in salary through cost of living adjustments, step, and merit increases to pay, a series of increases which is considered to be broad by today's public-sector compensation standards. Many of these issues are addressed in the drafted revisions to the policies, but due to their current state of adoption, the old policies remain in effect.

In speaking with staff at the Authority it was also clear that several unwritten policies instituted by former General Managers were being followed by staff. Among these was a directive from a former General Manager that all staff had to vacate the Administrative Building by 4:30 pm to spend adequate time with their families; a noble practice, but one which was unapproved by the Board and one which appears to be strictly followed by staff, even when extra time may be required to attend to Authority business.

- Volume 5, Part A - Utility Standards -The Fauquier County Water and Sanitation Authority Utility Standards details the policies, procedures and standards required for the design and construction of extensions to water mains, sanitary sewers and their appurtenances which are to be owned and/or operated by the Authority.

As a policy and standards document, the Utility Standards Manual is supplementary to the Commonwealth of Virginia State Water Control Board Sewage Treatment and Collection Regulations and the Virginia Department of Health Waterworks Regulations and is not intended to supersede state regulations, noting where conflicts exist, the more stringent requirements shall apply. The standards also note that they are not intended to address all situations encountered in the design and construction of water and sewer facilities and that variances, as well as exceptions, may be warranted depending upon the nature of the engineering application. It is also noted that the

Utility Standards, policies, and regulations have been adopted by the Fauquier County Water and Sanitation Authority Board and that conditions and modifications to the standards, including additional materials and equipment, are subject to the approval of the Authority's General Manager, after discussion with the Board.

The standards were recently revised in March 2016 and a full review of the practices indicate that they are well developed and offer clear guidance regarding the process of design and submission of plans, as well as the standards anticipated for construction by the Authority. The manual, forms, and other appropriate items such as approved material lists are available on line and easily accessible.

- Volume 5, Part B - Water and Wastewater Master Plan – This section, written in 1997, while comprehensive, is outdated and needs to be updated to better foster future development and sound investment by the Authority.
- Volume 5, Part C – Community Wastewater Systems Standards – The FCWSA's community wastewater standards were last revised in 1993. As such the regulations refer to outdated sections of the Virginia State Code and regulations, which have undoubtedly been updated, while still referencing certain brands of equipment, or equivalent, which may now be out of production. The policy also requires that developers submitting plans for systems which will be transferred to the FCWSA provide an estimate of system operating costs (5 years) which is beneficial to the Authority in future planning and potentially rate setting. This section needs to be reviewed and, at a minimum, appropriate Code citations should be referenced.
- Volume 5, Part D – Community Water System Standards -The FCWSA's community water system standards were last revised in 2006. The standards provide requirements and standards for water systems designed and constructed on behalf of the Authority and a model water agreement for developer consideration. These standards are not intended to be all-inclusive. The standards note that the Authority will consider alternative means and methods to accomplish its objectives, based upon good engineering practice and demonstrated technical effectiveness, reliability, and cost effectiveness, opening the door to new innovations and practices. The policy, which closely tracks Virginia Department of Health waterworks standards are detailed and clear, but should be reviewed to ensure new and improved processes or standards are included, if applicable.
- Volume 6, Part A- Operating Safety Standards – The WSA's Safety practices were updated in 2017 and appear to meet safety standards and practices for similar organizations. They appear to not have been discussed with the Board.
- Volume 7, Part A – Procurement Regulations- The Authority's procurement regulations, as provided in the Operating Manual are not procurement regulations which conform to current Virginia state procurement law. While the current procurement regulations establish clear cut limits for processing purchase orders and are specific in regard to bidding procedures, limits for most construction projects requiring a contract are extremely low (\$3,500) and an increasing number of quotes are required for all construction projects in excess of \$3,500 effecting a high level of control of expenditures, but requiring considerable effort on the part of staff to obtain meaningful quotations from vendors and it is recommended that new procurement regulations, when prepared, provide a greater level of flexibility to staff to reduce time invested in obtaining quotations. .
- Volume 7, Part B- Procurement Forms- Coupled with revisions to the Authority's procurement regulations the procurement forms will need to be updated to conform to new policy and practice.

Findings

- The Authority lacks both a vision and strategic plan and basic facility plans to guide future actions.
- Past Boards have entrusted former General Managers with full authority for daily operations. The

former General Managers have used this authority without adequately informing the Board of developing issues.

- Performance evaluations for former General Managers and staff have lacked substance due to limited use of goals and performance measures resulting in a lack of guidance and measures for improvement.
- The Operating Manual which serves to guide daily operations of the Authority has many sections which are outdated, and many sections lack detail (financial policies, personnel, and procurement as examples) vital to efficient daily operations. Some have been updated without Board discussion.
- In reviewing discussions with staff and the Board it appears that a ‘sense of urgency’ is lacking among some staff in resolving identified issues.
- The current Operating Manual is cumbersome, and many sections are out of date and need to be revised and made available to all who need access to them through posting the Manual on the WSA’s website.
- The Board needs to establish a process through the General Manager (Executive Director) to provide meaningful updates to the Board of Supervisors and initiate discussions with the Board of Supervisors which leads to structured, meaningful Liaison Committee meetings.
- Internal Board communications need to be consistent and participation and views of members in committee work needs to be valued.
- Performance measures at all levels of the organization are lacking. Performance measures in organizations are helpful in measuring annual output, through collection of data in a systematic, objective, and consistent manner over time to help determine the efficiency and effectiveness of an entity’s service delivery and program objectives. The data is generally converted to numeric output and outcome indicators that enable an entity, such as an Authority, to track the performance of services over time to demonstrate internal improvement or to benchmark current performance levels against similar services provided by other comparable utilities.

Recommendations

- The Board, within a reasonable time of appointment of a new Executive Director, needs to come together with the new Executive Director in a facilitated ‘retreat’ type setting and discuss Board/Executive Director roles, communication, and the vision for the Authority.
- The Board and staff also needs to come together to develop a realistic strategic plan which identifies future actions and their timing for implementation by the Board and staff with measurable milestones to measure progress and establish accountability measures.
- The Authority needs to begin an assessment of current conditions in each service district and begin long-range planning for improvement to, or provision of services, consistent with the County’s plans for the service district.
- A formal training/orientation program for new Board members should be developed or reinstated, and carried out by the Executive Director when new Board members are appointed.
- The FCWSA needs to begin the process of reviewing the most recent draft of the Authority’s personnel policies and move them toward review and adoption by the Board.
- The FCWSA needs to conduct a formal classification and compensation study with a benefits component to ensure that job descriptions are accurate and up to date and both internal and market equity exists for classified Authority positions.
- The FCWSA, recognizing that the County will grow, and resources are limited, needs to work more closely with the Board of Supervisors to plan better, to ensure resources are invested with the highest potential for return on investment.
- To this end, the new Executive Director, working with designated Board members needs to work toward gaining the trust of the County Board and reactivating the Liaison Committee to ensure that the WSA is engaged in decisions by the County relating to future operations.

- The Board should consider revising the Board meeting schedule to include a formal work session at least a week prior to formal Board meetings to discuss complex issues.
- To minimize confusion over committee meeting dates a fixed schedule should be established by the Board annually.
- Consider adopting the principles and practices outlined in Effective Utility Management as a guide to improving the FCWSA, based upon accepted ‘best practices’ in the utility field (See Appendix). These practices, utilized as a guide by many high-performing utilities, were developed by utility organizations and provide a clear set of reference points which are intended to help utilities maintain a balanced focus on all important operational areas rather than quickly moving from one problem to the next and help utilities maximize their resources and improve performance through identification of ten attributes of a highly successful utility.
- An effective performance measurement system should be developed over time which can provide the Authority’s Board and staff with a number of benefits including:
 - Assessing staff capacity and ability to meet defined service levels
 - Creating and reinforcing a sense of organizational mission and focus
 - Identifying areas where the Authority has made progress and areas where performance can be improved by enabling progress to be measured over time
 - Assisting the Board of Directors, the General Manager (Executive Director), and division directors and supervisory staff in the management of their operations
 - Serving as a tool for communicating the Authority’s performance to the Board of Supervisors, customers, and other stakeholders and to document successful programs
 - Providing a means for assessing service delivery accountability
 - Enabling the Authority to maintain high-quality services and to improve services that are not meeting expectations
 - Providing a framework for the strategic planning or goal-setting process
 - Providing a vehicle for linking budget decisions to public priorities

FCWSA Relationship with the Fauquier County Board of Supervisors

The Fauquier County Board of Supervisors is the ‘parent’ body of the FCWSA, creating the Authority through adoption of an Ordinance in 1964 and reauthorizing the FCWSA through 2024. As a water and sanitation authority the FCWSA operates with significant autonomy and independence under its enabling legislation. However, the Authority serving as the water and sewage provider on behalf of County government also needs to forge a strong working relationship with the government it is created by to ensure County land use objectives are being met and service demands satisfied. To this end the Board of Directors felt that it was important to reach out to the Board of Supervisors to learn more about their perceptions of the Water and Sanitation Authority and the relationships between the two governing bodies. To that end Springsted staff interviewed four (4) of the five (5) members of the Board of Supervisors.

Generally, we found that the views of those we met with or contacted were not dissimilar of those of the Board of Directors. Board of Supervisor members contacted recognized that the WSA had a difficult mission to fulfill and that significant challenges existed in operating a large number of small, aging water and wastewater systems spread throughout the County. Because of this and due to limited FCWSA resources they have committed to investing over \$25 million for utility improvements in the County’s current capital improvements plan (CIP) in a partnering effort with the WSA. However, they also indicated that communications needed to improve at the project level, at the Liaison Committee level, and at the Board level citing examples of lack of recent communication or miscommunication in regard to water projects in Marshall and Opal and construction of an alternative sewage treatment system in the Catlett-Calverton area of the County. In the case of the Marshall water

project, it was noted that this was a critical issue and there has been little follow-up from WSA staff regarding progress being made to identify and construct new sources to meet the community's needs. Similar concerns were noted in Opal where a well, once available for inclusion in the system, became unavailable, but no information concerning the wells status was made available to the Board of Supervisors. In conjunction with the Catlett-Calverton Board members who raised the issue felt that the County had provided clear parameters to the WSA of the service area and their expectations, but when the preliminary engineering report (PER) was delivered it included few of the parameters outlined by the County. Board members also noted that Liaison Committee meetings had become meetings that were generic in content, with limited excitement and information exchange.

Finally, the Board members noted that there was either little, or no consistent communication received by the Board regarding WSA issues or financial condition and while elaborate reports were not needed basic information would be helpful to the Board understanding the challenges the WSA was facing.

Those Board members interviewed also noted that the WSA mirrored an organization operating with 20th century management principles and style, and that it was an organization which was considered to be slow in response and not open to new ideas in a world that was changing rapidly requiring well thought solutions to identified problems in a timelier fashion. However, the Board members contacted also indicated that they believe that the WSA and the services it provides plays a vital role in the County and its future growth and that the Board had a willingness to establish a stronger working relationship if clear expectations for future communication and performance were established.

Findings

- The Board of Supervisors appears to understand the operational issues facing the FCWSA.
- The Board of Supervisors has committed funds for capital investment for utilities and desires that the County and WSA partner on a number of projects to facilitate service district development.
- The FCWSA is considered to be an organization which is vital to the County's future, but one which is slow or non-responsive to resolving issues in a timely fashion leading to frustrations on the part of the Board of Supervisors.
- Communication with the WSA is considered to be difficult and little meaningful information is shared at Liaison meetings or in regular reports to the Board of Supervisors.

Recommendations

- The Board of Directors should reach out to the Board of Supervisors, after the new Executive Director has settled in, and request a structured meeting of the two Boards, with clearly defined topics, to begin to establish a stronger relationship between the two Boards.
- The Liaison Committee meeting content should be revised to clearly identify issues of discussion and how the two Boards can work together to solve problems and minutes of each meeting should be taken and entered into the Authority's records.
- Continuing a practice initiated by the Interim General Manager the new Executive Director is appointed and has settled in he or she should reach out to the County Administrator to begin to begin efforts to establish a strong working relationship.
- The Executive Director, in consultation with the Board, should direct staff to develop concise reports for monthly submission to the County indicating the Authority's financial position and various projects status.

Legal Services – The Board of Directors has responsibility for appointing legal counsel under the Authority's current by-laws. The FCWSA for many years had used, Hunton and Williams, a Richmond based private firm for

all forms of legal advice and for litigation. In 2004, the Authority decided that the Authority needed a higher level of, and immediate access to, legal counsel and chose to hire a local attorney, utilizing a competitive selection process. Hunton and Williams continues to be consulted on complex matters (such as personnel issues and litigation) when local counsel feels a deeper level of legal experience is needed and a separate bond counsel has been retained to assist in issuance of debt. In addition, Aqua Law, a well-recognized Richmond law firm, specializing in water and sewer issues has been retained for specialized permitting discussions with state and federal regulatory agencies. None of the legal resources noted works under an engagement letter specifying their relationship to the Board and staff and outlining their scope of services. Legal expenses for Fiscal Year 2017 included:

FY 2017 Legal		
Firm	Type of Representation	Amount
Botkin Rose*	Bond Counsel	\$45,828.35
Aqua Law PLC	Permit and Environmental Issues	\$36,595.45
Henry Day**	General Counsel	\$125,304.09
Hunton and Williams	Complex Issues	\$24,333.75
Total		\$232,061.64

* Botkin Rose's total includes \$35,000 of debt issuance cost

** Henry Day's total includes \$27,150 of debt issuance cost

In reviewing invoices for all legal services incurred for Fiscal Year 2017 some major trends became clear. These included:

- There was a high-level of contact between some Board members and legal staff/providers
- General Counsel to the Authority was reviewing Board minutes and preparing resolutions
- There was only nominal involvement of the former General Manager in conjunction with issues discussed and reviewed by the Authority's General Counsel

Each of the points identified above indicate that with proper training and involvement of staff a possibility exists to reduce legal costs, particularly in regard to minute and resolution preparation.

Recently, due to the circumstances related to the most recent General Manager's departure the Authority's current counsel has become a key advisor to the Board, attending all meetings, preparing, reviewing, serving as a historical resource, and editing items for Board review such as resolutions and serving as an advisor on key issues related to debt issuance and policy implementation.

Former General Managers often worked without benefit of input from legal staff and worked to isolate staff from legal advice resulting in additional time being spent to correct oversights.

Findings

- Current arrangements for legal services provided to the Authority are not well-defined via either clearly drawn scopes of services, contracts, or letters of engagement.
- Some work, such as review of draft minutes and preparation of all resolutions appear to extend beyond the need for typical legal services in a public setting.
- Legal fees, exclusive of debt issuance costs, equal approximately 1.5% of the FCWSA budget and are considered to be reasonable in comparison to other organizations.

Recommendations

- The Board should work with the new Executive Director to better quantify total legal costs for the Authority and to ensure all legal service providers have a clearly drawn guidelines, or contract, defining the providers services, hourly rates, and responsibilities of the provider to the FCWSA.
- FCWSA staff needs to be trained to prepare resolutions and develop an appropriate level of detail for Board and related meeting minutes, reducing time spent by General Counsel in routine administrative work. Staff should consult with the Executive Director and attorney to determine what type and when legal review is necessary.

General Manager - According to the Authority's By-Law's, the General Manager (Retitled "Executive Director" by recent action of the Board of Directors) serves at the pleasure of, the Board and is subject to the conditions of Volume 4, Part A – Personnel Policies and Procedures of the Authority's Operating Manual. In accordance with Authority Policies the General Manager shall: (i) administer the affairs of the Authority consistent with the provisions of the Operating Manual of the Authority as adopted by the Board; and (ii) execute and enforce the orders and resolutions adopted by the Board; and (iii) perform such other duties as may be delegated by the Board from time to time by resolution. In the past, it appears that the General Manager relied heavily on staff to develop alternatives and recommendations without significant oversight or direction.

The most recent General Manager was recruited, selected, and operated under a single paragraph position description, which was overly broad and lacked detail. During the process of recruiting a new Executive Director (General Manager) a new description has been developed providing considerably more guidance and clearly delineating the competencies required for the position as well as the Board's expectations for the now titled position of Executive Director. In addition, no formal performance review process has taken place on a consistent basis for former General Managers. Such processes are important in identifying performance issues and identifying corrective actions if problems exist as well as establishing well-thought out goals for the new Executive Director to work toward.

In the past, General Managers have had far reaching decision-making authority for day to day activities of the Authority and it appears they have served to restrict delivery of some information to the Board as a whole. Concerns expressed by Board members interviewed include a lack of updates from the General Manager to the Board on a consistent basis, at times of emergency (broken lines), or in between Board meetings. In addition, development of a culture within the organization which was staff centered, as opposed to recognizing the Board of Directors as the governing body. The culture which has developed in Board/staff relationships, evidenced in conversations with Board members, as well as staff, appears to have increasingly created stress between the Board, former General Managers, and staff relative to their respective roles within the Authority.

In conversations with the Interim General Manager a variety of issues were identified which are consistent with comments made by staff and Board members. These include:

- Planning at the Authority, both short term and long-range, which guides the General Manager and staff, has been lacking and the Authority is reactive to issues. There is no strategic plan and a master plan for development of the County's service areas, developed in 1997, was not adopted nor has it been updated.
- Communications at all levels, both internal and external need to be formalized and improved. The Board has not received clear and consistent communications from the General Manager and staff.
- Communications between the Board and General Manager and staff. When communication does take place between the Board and staff, staff often 'talks engineering' which frustrates Board members who may not be familiar with the terminology staff deals with on a daily basis. In addition, improved

communications with the County have been inconsistent, resulting in decreasing levels of discussions between the two Boards and at the staff level resulted in delayed reimbursements for Authority expenditures

- Monthly reports developed by staff include a large amount of data, but need to say something about what the data means. This is particularly true in regard to the financial components of operations where data related to costs of operation and production are not readily available and better reporting to the Board on cash committed projects is required.
- It appears that the Authority's former Director of Operations focused on wastewater, not water investments and because of this the Authority is playing catch up on maintenance and construction issues in the water area.
- Division Directors work well together and communicate well internally, but necessary information from the General Manager does not move down to line staff, which appears to have led to some confusion as projects are implemented.
- Staff meetings called by the General Manager have been limited in the past in content and frequency resulting in inconsistent interpretation in conjunction with policy changes driven by Board action.
- Consideration should be given by the Board to amending the Preamble to the Manual that would read like an Authority Charter, much like a city charter more clearly defining the roles of the Board and General Manager (Executive Director) and staff. Clarity in these basic relationships is blurred and needs to be corrected.

Findings

- The most recent General Manager worked under an outdated description of duties and qualifications for the position and their performance was not consistently evaluated by the collective Board.
- Former General Managers have worked with a centralized management style in relationship to the Board and an employee centered management style when focusing on employee compensation, benefits, and accountability.
- Communication from previous General Managers with the Board of Directors, individually and collectively, and between past General Managers and staff has not been uniform and transparency has become an issue.
- Board documents, such as the Operating Manual, have been allowed to fall into a state of obsolescence and do not reflect modern practices.
- Staff accountability appears to be an issue, as reflected in recent personnel actions, due to unacceptable levels of behavior or performance.

Recommendations

- The newly appointed Executive Director (formerly General Manager) should establish consistent levels of acceptable communication with the Board and with and among staff. Whether in the form of regular staff meetings, regular updates to the Board of Directors on project progress and issues or clearly written and simplified reports all levels of communication should be a focus for the new Executive Director (formerly General Manager).
- The new Executive Director (formerly General Manager) must develop among staff and adhere to an increased level of accountability in meeting Authority operational and project targets.
- The new Executive Director (formerly General Manager), working with the Board of Directors, its committees, and staff, should prioritize and assign tasks to staff and/or the Authority's committees to update all sections of the Operating Manual within an identified and mutually acceptable timeline.
- The new Executive Director (formerly General Manager) should work toward developing a culture

within the organization which reflects teamwork among staff, pride in working for the FCWSA and its customers, transparency with the Board, customers, and external agencies with a goal of being recognized as a highly effective organization.

- The new Executive Director (formerly General Manager), working with the Board, may wish to establish priorities for staff to complete what the Board and Executive Director identify as key recommendations included in this report.
- The new Executive Director (formerly General Manager) should direct staff to revive and improve a former new Board member training program which should be offered to all newly appointed Board members on a consistent basis.
- The Board should establish a clearly defined performance evaluation process for the Executive Director which identifies goals to be achieved and allows for corrective action by the Executive Director for any identified performance deficiencies.

Executive Assistant/ Clerk – The Executive Assistant/ Clerk is a direct report to the General Manager (in the future Executive Director), seeking agenda items from Board members, preparing and delivering Board packets, preparing Board minutes, and drafting resolutions for the Authority Attorney’s review. In addition, the Executive Assistant/Clerk manually enters data for water well logs and manipulates the data for preparation and submission of monthly reports for regulatory agencies and is responsible for responding to Freedom of Information Act requests with no formal training to do so.

The Executive Assistant/Clerk indicated that her position description was becoming more accurate as she grows into position and that she sees her job as one which frees the General Manager (Executive Director) for more complex and less mundane issues. She also noted that she was growing into the position slowly because she received no new employee orientation, didn’t receive any instruction on her duties and the processes and timelines involved and that there was no clear structure as to who was doing what and who was giving up the responsibilities she was to assume. She also noted that there were no staff meetings to discuss pre-or post-Board meeting issues or needed actions and that internal communication is weak. Because of this she noted at the time of our interview that she had just found out that the Attorney was supposed to review all resolutions and that prior staff who held the position had not informed her of this.

The position incumbent possesses three (3) years of experience in administrative support services and possesses a Bachelor’s degree in International Studies with a Minor in Spanish. During our discussions, she advanced numerous ideas as to how to improve internal administrative processes and a strong focus on both internal and external customer service.

Findings

- The Executive Assistant/Clerk, while new to her position, demonstrated an interest in improving internal processes and communications.
- Due to the relative brief time in her position the Executive Assistant/Clerk would still benefit from an orientation to the organization and would benefit from more involvement in meetings to understand internal operations.
- The Executive Assistant/Clerk is responsible for responses to freedom of information requests.
- Based upon discussion and observation, it appears that the Executive Assistant/Clerk is capable of taking on more responsibility.

Recommendations

- The Executive Assistant/Clerk should be tasked with investigation of the process, the costs and practicality of developing and implementing electronic Board packets.
- The Executive Assistant/Clerk should meet with the Authority's attorney to review the depth and detail required in the Board's minutes and should work toward those standards, reducing the need for the Attorney to review the Authority's draft minutes.
- The Executive Assistant/Clerk should also be trained as to what content should be included in simple resolutions and a process should be established allowing the Executive Assistant/Clerk to work with the Executive Director, and Authority attorney, when needed, to develop more complex resolutions.
- A policy should be developed by the Executive Director, the Authority's Attorney and the Executive Assistant/Clerk and approved by the Board for distribution to staff concerning the Authority's process for responding to requests under Virginia's Freedom of Information Act.
- The Executive Assistant/Clerk should be sent to the next available training program to ensure that request filed under the Freedom of Information Act are responded to within the state required timeframes.

Associate General Manager Chief Financial Officer – The Associate General Manager- Chief Financial Officer's position currently has responsibility for all accounting and many administrative functions of the WSA and is in charge of preparation of the Authority's annual budget (as well as a biennial and five year budget) and audit, financial reports for the Board, debt service and debt coverage, secures annual certification as to various program revenues, the Authority's Capital Improvements Plan (CIP) and restoration and rehabilitation (R&R) programs, as required by the Authority's financing agreements. The position also directs financial strategy, planning and forecasts conferring with the Authority's General Manager and division directors, supervises investment of Authority assets and proposes the establishment of rates for the Authority; studies, analyzes and reports on trends related to the Authority's finances, and studies opportunities for expansion and projects future Authority growth. In addition, the division under direction of the Associate General Manager- Chief Financial Officer oversees payroll and human resource functions, information technology functions, procurement, maintenance, and construction functions, which is somewhat of an unusual pairing of responsibilities for a financially focused position. The incumbent, who has served in the position for eleven (11) years has a degree in accounting, but lacks current certification as a CPA. The incumbent has announced his retirement from public service in December 2017.

To accomplish the divisions responsibilities the Associate General Manager- Chief Financial Officer currently oversees nineteen (19) employees with two (2) direct reports (Director of Finance and Director of Maintenance and Construction) under his direct management control. Employees are cross-trained but a formal training program with dedicated training funds is lacking. As noted in prior sections (policy review), the Authority lacks detailed financial policies, which often hinders staff when making recommendations related to long-range and impactful issues.

In recent months, the division has experienced moderate levels of stress with an error in judgement displayed by the Associate General Manager- Chief Financial Officer. A major issue developed recently when the Associate General Manager- Chief Financial Officer chose not to follow through on a Board of Directors directive to spend down bond proceeds issued for construction and maintenance projects, but rather chose to use cash reserves for future projects instead; creating a cash flow challenge and potential regulatory issues with federal oversight agencies. A second major challenge occurred when a billing error, which resulted in a reissuance of all customer bills in October, 2017, was discovered after bills had been sent to customers due to the lack of an internal policy or practice to review the billing contractor's work.

While the administrative division has made progress in subcontracting work out (preparation and mailing of monthly utility bills, close cooperation with the County on vehicle maintenance and fuel purchases, janitorial services) significant work needs to be accomplished to prevent major reoccurrences of events like those above and to better define financial and operations policies (such as vehicle replacement) for the Authority. In addition, the Associate General Manager- Chief Financial Officer indicated that the staff, working with appropriate Board committees needed to more closely examine the Authority's health insurance program and the current stop loss provisions. In reviewing the position (job) description for the – Associate General Manager- Chief Financial Officer which the incumbent admitted included outdated terminology and descriptors (and apparently was a poor 'cut and paste' adaptation of the Director of Operations position description) a general sense of the Authority's past administrative practices is again confirmed. The lack of impetus to update the job description calls into question how important attention to detail is, particularly when the description includes language such as, "Coordinates and reviews all monthly and annual regulatory reports, including but not limited to wastewater plant discharge, water quality and quantity, system maps and flow models, coordinates and reviews comments on all Special Exception and Zoning requests....."; most of which are allocated to other staff.

Findings

- The Construction and Maintenance Division is oddly aligned under the Authority's financial and administrative operations division.
- Financial policies to guide the Board of Directors and the staff are virtually non-existent or out of date.
- Financial documents provided to the Board, including the budget, are confusing with little explanation of variances and trends allowing major changes in policy, such as changes in employee contribution rates for health insurance, to occur with limited or no Board knowledge.
- The budget projections, as explained to us by the Associate General Manager-Chief Financial Officer included utilized a 'wild guess' on availability projections.
- Given the future construction and operational challenges facing the Authority a true long-range plan does not exist which considers all needs for the Authority.

Recommendations

- Given the impending departure of the current Associate General Manager-Chief Financial Officer and the qualifications of the current Finance Director, the position of Associate General Manager Chief Financial Officer should be eliminated. The current responsibilities should be transferred to the current Finance Director and fill the currently vacant Senior Accountants' position with a CPA.
- The Authority's organizational structure should be changed to include all construction and restoration/replacement activities as a part of operations and not under the direction of the Associate General Manager-Chief Financial Officer.

Finance Director – The Finance Director's position is responsible for supervision of six (6) staff (Customer Service (2), Senior Accountant (currently vacant), Accounting Technician/Procurement Officer, Personnel Administrator, and IT Coordinator/Administrative Assistant). The Director is a 'working' director who has direct responsibility for general ledger adjustments, supervision of staff, payroll, billing, collections (7,100 utility bills monthly), and accounts payable which often requires her to work at home to either catch up or to maintain deadlines for departmental functions. Utility billing (private vendor) and almost all equipment maintenance (Fauquier County) is contracted out along with a range of other services.

In conjunction with preparation of monthly utility bills, mailing and collections, internal Authority staff prepares

information for printing and mailing of utility bills. Seventy per cent (70%) of the Authority's bills are handled electronically with the remainder of customers still utilizing paper bills with either mail in or walk in payments. While the Finance Director noted that the Authority appears to have adequate resources and access to technology, Authority staff still must manually enter data for billing customers in Remington due to system incompatibility between the Town of Remington and the Authority's software billing system. In addition, the Authority's software and vendor payments continue to be made utilizing paper checks due to lack of software compatibility.

The Director, who is a long-term Authority employee, has grown professionally within the WSA increasing her responsibilities (accounts payable) and level of education from community college graduate to Master's degree in Accounting. She is currently studying to obtain her Certified Public Accountant (CPA) certification. Because of her professional growth and knowledge of the organization she has been identified as successor to the current Associate General Manager - CFO through the WSA's lone succession planning effort.

The Finance Director has customer service oversight working with two (2) staff who answer the Authority's phones, meet walk-in customers, help establish new customer accounts, set up liens on utility bill delinquencies, work with customer cut-offs related to delinquent accounts, and order supplies.

The Director also manages staff who oversee the financial accounting and information technology operations of the WSA, which is integrated with the Authority's SCADA system and supports records management functions with a goal of moving toward a completely paperless operation in this area in the future.

In conversations with the Finance Director and review of Authority documents it was clear that the Authority lacked up to date and Board approved financial policies (see Operating Manual discussion), which have led to some confusion as the Board considers long-range financing options and significant financial decisions. It was clear in our discussion and in review of the Operating Manual that the Authority's financial policies do not deal with larger issues of financing of depreciation (not fully funded), debt load, and long-range financial planning; although the Finance Director noted that a recently completed water and sewer rate study identified required revenue increases to generate funds for needed capital projects over the next five (5) years through the Authority's Capital Improvements Plan (CIP). We would note the Capital Plan has limited or no cost benefit analysis.

For a small staff, it appears that many of the safeguards pertaining to separation of duties for standard accounting practices have been implemented, with the exception of payroll (where the Personnel Administrator still prepares payroll and is considered the 'back up' for other financial and customer service support due to knowledge of the organization and the Accounts Payable Technician is growing into a more full-fledged role in procurement).

Finally, in reviewing the position descriptions for division personnel it was clear that the descriptions were similar to others in the Authority and needed updating. In reviewing the descriptions and speaking with staff it was clear that the essential functions of individual jobs are out of date, with new duties added and others deleted, reporting responsibilities are changed, and education, experience and certification requirements are not clear or are non-existent.

Findings

- A higher level of communication needs to take place among staff in regard to Authority challenges and staffs role in fulfilling those needs. In the past communication from the General Manager was on a 'Need to Know' basis and fairly restricted.
- The Authority's budget lacks detail to adequately explain the WSA's financial plan and overall performance.

- All financial policies appear to be out of date and in some case, some are verbal.

Recommendations

- The Finance Director's responsibilities should be combined with those of the Associate General Manager-Chief Financial Officer and the position retitled, "Chief Financial Officer".
- The Finance Director should investigate bringing the Authority's annual budget to Government Finance Officer Association standards, improving information available to the Board of Directors and the Authority's customers and providing a higher level of transparency.
- The Authority needs to focus on development of a ten (10) year plan which incorporates all aspects of revenue growth including staffing, operational costs, project, and other capital needs.
- All staff should be evaluated, concerning their training needs, and a realistic program should be developed ensuring opportunities for professional growth.

Human Resources/Personnel - The Personnel Administrator is responsible for all human resources functions at the FCWSA, participating in hiring and disciplinary processes, interpreting the agencies personnel policies, working with employee benefits plans, managing information, and manually entering and calculating payroll and payroll tax on a bi-weekly basis for division directors review and Finance Director final check of the payroll prior to preparation of payroll checks. The Personnel Administrator also provides annual total compensation letters to employees, answers employees workers compensation and benefits questions and works with employees, external agencies, and insurers on the individual's benefit administration and interpretation of benefits. The Finance Director serves as back up for all human resources processes. After hours, the Personnel Administrator helps maintain the agency's website and enters information for utility emergencies (line breaks, etc.) for use in the customer notification system (reverse 911) while notifying Board members and staff.

The current Director, who has advanced in responsibility in the organization, has limited experience in broader human resources program administration, but brought considerable experience in preparation of the agency's payroll, accounts payable and Board packet preparation functions to the position and still responds to staff questions on accounts payable and Board packet protocol. The Director, who has a degree in criminal justice administration and who wishes to take a more active role in the agency's human resources administration, has taken it upon herself to visit nearby utility agencies to learn about their internal operating processes related to human resources administration and is working toward Society for Human Resources Management (SHRM) certification. The Personnel Administrator has found much of the WSA's human resources functions to be deficient and is in the process of the trying to strengthen the agency's human resources function and processes. During her short tenure as Personnel Administrator she has reviewed all personnel files to ensure the information for employees is complete and has developed an initial hire and separation list to ensure employees information is captured.

The Personnel Administrator also noted that the WSA's 2005 personnel policies were revised in 2014 by staff with a review conducted by Hunton and Williams. However, the Board did not receive or adopt the recommended update because they were not presented to the Board for review by the WSA's former Personnel Administrator. The current Personnel Administrator recognizes that due to changes in state and federal law that this is a priority and has begun an initial review of the previously completed 2014 draft with the intent to bring recommendation for change and update to the new Executive Director (General Manager) for his/her review, prior to forwarding to the Personnel Committee and subsequently the Board of Directors for review and adoption. As noted in the Operating Manual section of this report, the personnel policies also call for development and maintenance of a pay plan for the Authority's employees, with the General Manager reviewing the plan every three years, and recommending adjustments, if necessary.

In reviewing the Authority's existing pay plan with the Interim General Manager and the Personnel Administrator, it is clear that the FCWSA had developed a pay plan with grades/steps, longevity increases and an annual cost of living adjustment, approximately ten (10) years ago, but a formal classification plan using an unbiased methodology for classification of employees (tying them to a market based pay plan taking into account each positions' required skills and abilities, educational requirements, supervisory responsibilities and a wide range of other typical factors) has not been utilized and positions are tied to the pay schedule by estimating what market pay for a position title should be and then assigning the position to what appears to be is the appropriate pay grade. This method, coupled with job descriptions which are in a wide variety of formats and appear to be out of date, may have resulted in salaries assigned to positions being assigned by former staff in a largely personal and random manner and without consideration for qualifications, internal equity and/or balance. Consequently, internal equity issues may exist regarding compensation in the agency.

The Fauquier County WSA also conducts performance reviews for employees on an annual basis. The Personnel Administrator manages the process which allows for employee self-evaluation and supervisor comment using a standard 'one size fits all' evaluation form. No records were readily available detailing the results of evaluations and the level of salary increases provided to employees through the process.

Finally, while there has been limited turnover of employees at the FCWSA; the agency has encountered some difficulty in hiring qualified staff and the Personnel Administrator noted that multiple recruitments for a position often took place due to the limited candidate pool (both in numbers and qualifications). There did not appear to be any rationale or analytical information available as to why the agency's candidate pools have not been competitive (pay, reputation, job requirements, depth of replacement of recruitment notices), but this appears to be an issue as the agency tries to maintain a team of staff capable of meeting customer needs and Board expectations.

Findings

- The Personnel Administrator, has limited human resources experience, but is working to obtain training through other agencies and is pursuing certifications through the Society of Human Resource Management(SHRM).
- The Authority's personnel policies have not been formally updated since 2005 and much of the terminology (reference to a comptroller) is out of date.
- Recruitment practices appear to be limited and, by policy, are outdated, possibly limiting candidate pools.
- The Authority's pay plan has not been formally reviewed and updated in accordance with FCWSA policy.
- Position (job) descriptions are a mismatch of types and many are out of date and in many cases, do not reflect the position's current duties.
- The Authority's compensation schedule is reasonable, given the market, but internal inequities may exist due to the lack of an unbiased job evaluation system.
- A strong employee recognition program-exists in the policy (Employee of quarter; year, etc.) but it has not been operational in recent years.
- The FCWSA provides a generous benefits package to employees – number of holiday; health insurance, fully covered for all staff including family until FY 2018; annual physical provided, etc. By policy, annual DMV checks of those authorized to operate FCWSA vehicles are conducted by department heads and supervisors.
- Payroll functions need additional segregation of duties. The Personnel Administrator should not be calculating and preparing payroll and then running payroll checks.

- The Authority's employee performance evaluation system is generalized using forms which limit detailed evaluation of performance by employees.
- The Authority's safety program, while active, is limited in field review for best practices.
- Authority personnel currently work a 37 ½ hour work week.

Recommendations

- Payroll functions should have a higher level of segregation and some components should be moved out of the human resources function.
- The FCWSA needs to conduct a full, independently developed classification, compensation, and benefits study to verify pay ranges and issues related to internal equity and market competitiveness.
- The FCWSA needs to consider adoption of a forty (40 hour) work week. Fauquier County has both.
- The designation of holidays should be reviewed and, if necessary, brought into conformance with regional organizations.
- The FCWSA's personnel policies need to be updated, formally adopted by the Board, and made available on line for employee use.
- Develop a formal training schedule for the Personnel Administrator and provide resources to ensure she has adequate training and obtains appropriate certifications within a timely fashion.

Accounting Technician/Procurement Manager - The FCWSA Accounting Technician/Procurement Manager is responsible for processing approximately fifty (50) to sixty (60) accounts payable checks on a monthly basis as well as serving as the agency's Procurement Manager where he is responsible for procurement of all goods and services in accordance with state law and Board policy. He also serves as back up in resolving information technology (primarily GIS) issues and provides support for customer service when needed.

While combination of the varying job responsibilities makes sense (accounts payable and procurement), the Authority's procurement policies and attendant limits are limited (procurement policies) and the purchasing limits are too low, requiring significant amounts of work on the part of staff for even the most pedestrian purchases. The Accounting Technician/Procurement Manager is responsible for assisting in the development of bid documents and administration of the Authority's procurement program and working with staff to ensure that Authority purchases conform to existing standards and policy. In our discussions the Accounting Technician/Procurement Manager indicated that the Authority's policies he was working with were outdated and the limits on various types of procurement (which require obtaining a quote for purchases up to \$3,500; three (3) quotes for purchases between \$3,500 and \$20,000; four (4) quotes for purchases between \$20,000 and \$50,000 and preparation of full bid specifications and competitive bids for purchases in excess of \$50,000) are not practical or realistic at the lower limits, particularly when emergency repairs are needed.

The position incumbent, who holds a Bachelor's in Business Administration, has been a long-term Authority employee, initially serving as a meter reader (2013), and has advanced to his current level of responsibility through the Authority's internal promotional process. While demonstrating a good knowledge of current practices the incumbent admitted that he lacks experience in the field and is desirous of obtaining training and certifications to better serve the agency.

Findings

- Currently, the mixed functions of accounts payable and procurement do not appear to conflict. However, some consideration should be given to separation of accounts payable and purchasing duties in the future.

Recommendations

- Engage the Accounting Technician/ Procurement Manager in understanding the detail of the Authority's procurement procedures as they are rewritten by experienced independent procurement professionals.
- Establish a formal training program for the Accounting Technician/ Procurement Manager to ensure he receives appropriate certifications in the purchasing field.
- As purchasing responsibilities grow consider shifting account payable responsibilities to a new, part-time position.

Information Technology/Administrative Assistant - The Information Technology/Administrative Assistant's position is another position which combines a variety of duties that best fit the Authority and the person in the job. While the majority of the FCWSA's information technology functions are outsourced to a local company, F1, who is moving the Authority to a cloud based platform, numerous internal information technology service needs remain which require on site attention. In addition, many Authority functions such as billing and mailing of the WSA's utility bills are contracted out. Because of this the Information Technology/Administrative Assistant focuses on resolving internal issues and the Authority's GIS system, often interacting with Fauquier County's GIS division and Miss Utility, for line locates, while also interacting with the Authority's financial system software vendors and providers. In his current role, the Information Technology/Administrative Assistant is responsible for managing twenty (20) separate software packages, six (6) servers and the Authority's managed services agreement, thirty-eight (38) work stations and a variety of printers, copiers and technology related hardware and software functions which are typical in a modern agency environment. During the past year the incumbent has been involved with working with F1, in converting/updating the Authority's internal software to Office 365 and is in the process of moving to an electronically based purchase order system, while managing the Authority's intranet and website, as well as records management.

Because of existing contractual relationships, the incumbent focuses on installing basic software and providing day to day computer support; researching and purchasing technology based equipment, maintaining the Authority's hardware inventory and license documentation, maintaining the Authority's electronic filing system, records for all assets, including PIN lists of properties, deed and easements, well and lift station facilities lists, wastewater and water permits, maintaining and operating the Authority's work order system and maintaining and implementing quarterly tracking spreadsheets; monthly well production data, water well logs, Health Department pump and usage data, and generator log sheets. In addition, as part of his Administrative Assistant responsibilities, the staff person prepares lead and copper testing results notification letters and the customer flushing schedule, maintains wastewater flow data; lift station and generator log sheets, and scans documents such as Board packages, correspondences, plans and plats, operation, and maintenance manuals, etc. for record-keeping purposes.

The Authority's purchases of technology, in reviewing its current use with staff, are similar to most smaller agencies in that purchase of software and hardware is done on an 'as needed' basis with limited consideration for future developments in the field and integration of systems.

The position description for this position accurately portrays the positions responsibilities and the individual in the position appears to have a good grasp on the needs and challenges of the FCWSA and is well respected for his knowledge and ability to solve problems.

Findings

- The current combination of job responsibilities appears to work for the incumbent.
- The FCWSA currently evolves the use of technology with no plan in mind, or consideration of adequate interfaces, functions, or trends in the utility field.

Recommendations

- The FCWSA should develop a technology plan to better assess the Authority's current use of technology and to ensure that the most appropriate systems are purchased in the future.

Maintenance and Construction - The maintenance and construction functions of the FCWSA are housed under the Associate General Manager Chief Financial Officer and is an agency function which is in conflict with standard organizational alignments in utility operations, which are typically housed in an operational setting, supervised by managers who better understand the tasks involved in building and maintaining a water distribution/treatment and wastewater collection treatment system.

The division operates under the direction of the Director of Maintenance and Construction who oversees twelve (12) staff who plan for and carry out water line construction projects (up to 12" lines) with construction of larger size lines contracted out, conducting water line repairs and meter changeouts on the systems one hundred forty two (142) miles of water line, and the completion of some sewer line repairs on the systems ninety one (91) miles of sewer lines, with most larger sewage line and repair projects contracted out. The division is also responsible for maintenance of eighteen (18) wastewater pumping stations, as well as routine building maintenance, grass cutting at pump stations and snow removal for FCWSA properties. In recent years the Director noted that the division had built approximately 10,000 feet of new water lines for the Authority.

The Director manages the two crews and serves to coordinate activities and projects, ordering division and project related supplies and helping with preparation of bid and project specifications. As a working supervisor, he is often in the field assisting crews with water line repairs. He has responsibility for budget preparation and appears to be in need of administrative support to relieve him in routine administrative tasks.

The division appears to work well with other FCWSA staff and works particularly well with the Project Manager, housed in Operations, related to ordering of supplies and inspection of internal construction projects and with the Project Engineer, also housed in Operations, in design of projects. While some conflicts have developed with other divisions over sampling requirements for water lines which have been built or repaired these appear to have been resolved and occurred due to staffing limitations in the Water Division.

Those within the division have a positive outlook on their work and possess a 'get 'er done attitude in addressing their work, particularly when addressing emergency situations, such as water line breaks.

The Director noted that relationships and organizational support within the Authority had improved under the former General Manager. He noted that record keeping improvements had also been initiated citing examples such as purchase of a new work order tracking system which is coming on line and will be tied to GPS improving accuracy of information. Currently only a manual system exists which is cumbersome not only for tracking work orders, but also for tracking project costs. While noting that much of the field data is still being entered, the assignment of field tablets has assisted and will assist more in locating lines, valve boxes, etc. when the system is fully operational.

The Maintenance crew consists of seven (7) maintenance staff (a Maintenance Supervisor, two Maintenance Worker I's, three (3) Maintenance Worker II's and one (1) staff member who oversees underground water and sewer line locations and maintains and installs backflow preventers required under state and FCWSA standards) that oversees maintenance of the Authority's assets (wastewater pumping stations, wastewater treatment plant repairs and maintenance within staff and equipment capabilities, sewer line repair issues, water line breaks, hydrant maintenance, location of lines for Miss Utility, etc.). The staff also performs minor building maintenance on Authority owned facilities.

The Maintenance Supervisor is actively engaged in planning and managing work and is often in the field as a 'working supervisor'. The Maintenance Supervisor and all other position descriptions generally portray the duties of the various positions, but are in various formats with some missing key information such as physical requirements for the positions or required levels of certification. Staff appear knowledgeable and capable at the supervisory level, but acknowledge that staff training is often experienced rather than learned and that there is little time for training.

The crew remains actively engaged with water and sewer system repairs and is extremely busy with responding to repairing water line breaks, which often occur after hours and stress staff, due to ongoing maintenance, repair and construction activities carried out in the division.

The Construction Crew is responsible for construction of new water lines and installation of meters. This crew is currently engaged in building five (5) of the Authority's capital improvement plan designated projects. The Construction Crew consists of five (5) staff, including a Foreman, three (3) Construction Workers and an Equipment Operator. However, no performance standards exist for the division or its employees making it difficult to assess division or employee performance.

All members of each crew are cross-trained to varying levels among the various responsibilities, and work well together, particularly in emergency situations. The Authority has enjoyed stable employment among the Maintenance and Construction crews with little turnover in employees.

The Director indicated that he has limited time to plan for construction projects and routine maintenance activities due to size of systems, their varied components, and the water line breaks the system experiences. In addition, due to lack of an adequate storage facility, the inventory of replacement materials and equipment is limited, occasionally slowing down repairs as materials are obtained. To be more effective he indicated a need for both staff and equipment upgrades. To address construction and repair projects, the Director indicated that he believes that he needs six (6) additional staff (one (I) Mechanic I and five (5) Mechanic II's and additional equipment to keep up with ongoing responsibilities. The Director also noted that the Authority needs to upgrade both backhoe and dump truck capabilities (current equipment is too light and creates job site inefficiencies). He noted that while he had made requests for equipment upgrades, which would improve excavation and hauling times, it was difficult to achieve due to only \$140,000 being made available throughout the entire WSA for equipment purchases.

Findings

- The Division currently responds well to emergencies, but only limited thought has been given to dealing with multiple emergencies should problems develop concurrently in various sections of the WSA's service areas.
- Equipment for the division (rolling stock) is limited in its capacity to work on larger projects, reducing efficiency.
- Repair parts for emergency projects are not always available due to the lack of a storage facility.
- Crew members are fairly interchangeable and respond well to emergency situations (line breaks).

Recommendations

- In accordance with other sections of this report a realistic equipment replacement program should be developed, which focuses on meeting operational needs in an efficient in a more efficient manner.
- In concert with other FCWSA divisions planning should take place to plan for and build a facility to maintain an adequate parts inventory for emergency repairs.
- The division should be moved to the Operations Division and placed under the management of the Associate General Manger- Operations.
- Discussions should begin on the Authority's approach to handling emergencies should major problems arise throughout FCWSA's various systems.

Associate General Manager – Operations - The Associate General Manager-Operations has worked with the WSA for seven (7) years and has a diverse and extensive background in public and private water and sewer operations spread over thirty-three (33) years of service. A trained civil engineer the Associate General Manager-Operations also possesses a Master's degree in Engineering Administration as well as a Class I Operators license, supplemented by numerous training credits. While she is not a registered professional engineer (P.E.), that professional license is not required for the position and the current Associate General Manager exceeds the minimum criteria for the position.

The division has responsibility for operation of sixteen (16) groundwater based public water systems requiring different treatment processes based on water quality and nine (9) groundwater based community systems with ion exchange, green filters, and micro filtration treatment processes. The water systems supply about 1.49 MGD of potable water with over 5,900 customers. The division also has responsibility for operation of three (3) wastewater treatment plants which treat 1.492 MGD with 4,290 customers.

The division includes three (3) divisions (Engineering, Waterworks, and Wastewater) with separate supervisor/directors appointed for Waterworks and Engineering, with the Associate General Manager- Operations taking on direct oversight for the Authority's staff at the three (3) wastewater treatment plants.

The Associate General Manager- Operations has a clear view of the mission of the division and the division is committed to providing safe, affordable water and wastewater treatment to the County and systems users. She has built a good relationship with state regulatory agencies, noting that a former General Manager did not promote good relations between the FCWSA and the regulatory agencies, which resulted in tense relationships with some agencies.

The division's twenty-six (26) employees and processes within the division are well organized and staff within the division work well together. However, several challenges were pointed out in regard to communication and coordination which have existed in the past. These issues included:

- Prior General Managers (up until the most recent General Manager) focused primarily on the wastewater production side of the operation, which has resulted in a need for water operations to ‘catch up’ on identifying the systems weaknesses and needs.
- Past divisiveness/lack of communication between operations and maintenance with water and wastewater treatment plant staff being siloed (not an issue any longer).
- Internal communication problems. Currently, no complaint tracking system exists and when complaints are lodged the division doesn’t get information on the complaints, some of which affect operations.
- There is no paper work tracking system to ensure that when important documents arrive at the General Manager’s office they are distributed to appropriate parties. As an example, the Associate General Manager pointed to a Notice of Violation, with a ten-day response time which was received by the former General Manager who set it aside, creating an embarrassing situation with the regulatory agency

To operate more efficiently the Associate General Manager- Operations:

- Has developed a program to cross-train and achieve dual certifications for water and wastewater operators, which will allow the employees to move back and forth seamlessly when needs arise.
- This program, which is aggressive by smaller utility system standards will be especially valuable to the Authority if vacancies occur, or emergencies arise.
- Is working toward identification of a paperless reporting system, recognizing that often data is hand entered and distributed only in paper form, resulting in additional time and cost for copying, distribution, and storage. The system’s new work order system is an example of an improvement in this area.
- Has developed data which tracks performance in the field. This data, which is detailed, as evidenced in monthly reports, is often overlooked by the Board due to the volume and lack of explanation of what the data means according to some Board members.
- Developed a Capital Improvements Plan reflecting identified needs by the Maintenance and Construction divisions which prioritized, and truth checked with staff. The project prioritization system is points based utilizing a wide range of factors related to system condition and was developed by the Associate General Manager.
- Due to the departure of staff who formerly maintained the Authority’s Operating Manual, she managed internal staff who updated both the Utility and Safety Manual of the Operating Manual.
- Believes an additional wastewater operator/water operator is needed
- Is ensuring that the division’s Engineering Technician is bringing up and expanding use of the GIS system to ensure that the systems assets are catalogued, and there will be no loss of asset information as staff either retire or depart the organization.
- Is promoting the use of field tablets, SCADA and GIS to better monitor systems and systems performance.

Findings

- The staff within the division are considered to be good at what they do.
- The Associate General Manager-Operations is working toward cross-training and cross- certification of licensed operators.
- The Authority lacks an asset management system to track the condition and age of assets which limits long-range planning for improvements.
- The Authority’s work order system can be manipulated, and complaints closed too easily by staff resulting in the potential for an unaddressed issue to grow in severity.
- The Authority lacks a complaint and document tracking system allowing for critical communications from customers and regulatory agencies to potentially go unaddressed within time sensitive deadlines.

- The Authority is behind in evaluating infiltration and inflow for its wastewater collection system and significant problems exist in Marshall and Remington.
- No Authority wide master plan exists, nor does a strategic plan exist, resulting in the staff working in a continued reactive, as opposed to proactive mode, in planning system investments and improvements.
- The Authority's metering system is a mix of manually read and radio read meters requiring significant amounts of staff time to read meters.

Recommendations

- As the Authority moves toward cross-training and cross certification of operators the Board will need to consider additional compensation for those fully cross-trained and certified due to their increased skills and market value.
- The Authority should begin the process of assessing the cost for an automated asset management system.
- Issues with the Authority's work order system should be evaluated and changes in the system or internal policy should be adopted to ensure that the system is fully functional and cannot be manipulated.
- A customer complaint and document tracking system should be developed and implemented to ensure critical documents are routed to appropriate staff in a timely fashion.
- As Maintenance and Construction staff are moved under the direction of Operations, efforts should be made to evaluate how processes and relationships change to ensure that the additional staff are fully integrated into the Operations area.
- The Authority should move forward with developing a plan to replace manually read meters with automated read meters to increase system performance and accuracy.

Director of Engineering – The Director of Engineering is responsible for plan review oversight, collection of plan review fees, managing projects, tracking of project funding, maintenance and preparation of the Authority's master plan, coordination of division functions and scheduling of projects. The current Director has been with the WSA for five (5) years and previously was involved with water resources planning within Fauquier County Government's Community Development Department. The Director currently supervises three (3) staff (Engineering Technician/ Development Services; primarily a GIS function), Engineer (who designs projects and reviews plans), and Senior Inspector (who conducts field inspections on private developer and WSA projects). An Inspector's position is allocated, but unfilled due lack of demand. The division reviews approximately four (4) subdivision plats a month related to proposed services to be built by the developer of the subdivision whose ownership is transferred to the WSA upon completion. The division also completes some in house engineering of smaller (less than 12" main) water line extensions with larger projects being contracted out and works well with developers.

According to the Director, the division has updated the Authority's Utility Standards Manual, which the former General Manager approved without a briefing to the Board. The division utilizes available technology well and introduction of SCADA has resulted in system operations improvements and because of SCADA the division collects significant amounts of data. While the Director conducts significant amounts of data analysis she indicated that she cannot get it all done, and that data analysis tied to the SCADA system is falling behind. The Director also noted that the WSA does not optimally use technology as the former General Manager was not a proponent of technology. Because of this, the Authority develops a lot of hand-written reports and she is now looking for software that will allow better cataloging and use of the information.

Position descriptions appear not to be accurate for all positions and are in various formats and lack typical components to accurately describe the job such as physical description of the duties, essential functions, and reporting relationships. In addition, it should be noted that the Director does not have an engineering degree, or a

Professional Engineer (P.E.) certification, which are minimum requirements for the position. Because the Director is not an engineer, the job title and functions should be examined.

Findings

- Introduction of the SCADA system has allowed the Authority staff to gather significant amounts of information. However, due to time constraints, the information is not being optimally used.
- A large number of hand-written reports are still generated by the Authority.
- The application review process of the Authority is not currently overburdened by a large number of subdivision applications and development review. However, applicants still average three (3) submissions prior to approval (See Project Engineer's discussion).
- The Engineering Division is responsible for the Authority's long-range planning, but little long-range planning is conducted.
- Working across boundaries investigate how technology can be better used to streamline various internal practices of the division (i.e. tying work orders to billing, etc.; on line status review of plan submission by developers).
- The Director does not meet the minimum requirements for the position (Required degree in engineering and possession of a P.E. license).
- Because staff is limited in numbers larger projects (i.e. hydraulic modeling) are contracted out to private firms.

Recommendations

- Explore the use of technology to a higher level to minimize preparation of hand-written reports.
- Restructure the division as recommended in the 'Staffing' section of this report, placing a higher degree of emphasis on all levels of system wide planning for the Authority.
- Examine why plans submitted for review average three (3) submissions prior to approval and when issues are identified develop a 'plan of action' to reduce submissions.
- Establish a dialogue with the Board, or appropriate Board committees, through the new Executive Director, to identify what long range plans need to be developed on a prioritized basis and then follow-through using staff and/or consultants.

Project Engineer- The Project Engineer's position is responsible for reviewing developer plans for construction of new utilities which will be transferred to the WSA upon completion, plats related to deeds for Authority property acquisition related to new developments and working with staff to calculate project inspection fees for WSA related projects. In addition, the Project Engineer assists in updating GIS layers reflecting the WSA's assets, works with WSA construction staff to design new water and wastewater line extensions utilizing Computer Aided Design (CAD) software, completing small design projects related to the systems plants, managing infiltration/inflow studies for the WSA's wastewater collection system and working with the Virginia Department of Health (VDH) and Department of Environmental Quality (DEQ) on design contracts such as the Authority's water tank upgrades. He does not, however, work on permit renewals or amendments for the system's plants, which is the responsibility of the Associate General Manager-Operations. The WSA contracts out larger projects such as well house design, tank design, water modelling (New Baltimore), and infiltration/inflow, which are beyond the capacity of WSA staff due to available time and/or experience conflicts. The Project Engineer also works to spot check the progress of construction projects in the field, getting out into the field approximately every two (2) weeks, with the incumbent indicating that he would like to be in the field more often to verify and review how the engineering design applies, practically, to construction and field conditions. The Project Engineer, who is the only licensed professional engineer on the WSA staff, is also involved in

updating the Authority's designated design manuals, when slow plan review periods occur, and noted that there are no materials lists, no basic well standards and no overall utility standards included in current documents, which were last updated in 2006. In addition, the Project Engineer is working to digitize all pre-2013 plans and enter their assets into the WSA's GIS system, allowing for immediate access to system utility plans, when needed, and reducing file storage space requirements. He indicated that the Authority is playing catch up in this area because field crews originally did not adapt well to iPad issued to them which were intended to enter field data on WSA projects.

As the primary staff person responsible for review of new plans noted that the plan review process continues to improve and that he is most comfortable doing technical reviews and working with the engineers who submit development plans or design plans for system improvements. To better track plan review he has built an Access data base to track plan review deadlines, but notes that a typical set of development related plans still requires at least three (3) submissions due to missing detail.

The Project Engineer noted that he believed a higher level of efficiencies could be obtained and provided several examples, citing filter backwashing at the Bealeton water treatment plant as an instance where senior field staff was reluctant to change a practice, which led to equipment wearing out more quickly. In addition, he noted that a practice allowing contractors to 'tap' WSA water lines for new connections should be reconsidered due to the Authority's staffing levels which sometimes led to shoddy connections and increased loss of water. Finally, he noted that access to needed information for planning purposes could be improved by adding information to the water billing system, which currently includes only the customer's address and name, to include additional parcel identification data, an account number and meter size serving the customer. The Project Engineer indicated that including this information would speed information gathering for planning purposes and dealing with issues in the field.

The Project Engineer's position description appears to be up to date in description of job duties, but lacks detail in others and is not in a format consistent with other FCWSA descriptions. The incumbent appears to take advantage of training opportunities offered by the WSA to maintain his license (PE) while indicating a need for further training in water system modelling to better enhance his skills.

Findings

- The Project Engineer's comments that past information gathered by the Authority has not been cataloged in a timely fashion for future reference purposes and is consistent with other staff members and Board comments concerning organization of Authority information and records.
- Ideas for gaining new efficiencies for the Authority exist at the staff level, but have not been fully explored.

Recommendations

- Digitizing of pre-2013 project plans should be accelerated and outsourced, if necessary.
- Exploration should take place as to how to better provide customer information from the billing system to better translate that information to staff in the field when addressing problems and issues.

Project Management—The Project Manager reports directly to the Associate General Manager – Operations, interfacing with the Project Engineer, but working most closely with the Construction and Maintenance crews housed under the Associate General Manager -CFO. The Project Manager is responsible for preparing bid specifications for water and sewer line projects not carried out by WSA staff, developing a scope of work for the

projects, participating in review of bids, estimating and ordering materials for in house projects and reviewing construction of both in-house and contracted projects. He has developed a Microsoft Excel based Project Management Program to track project costs and timelines and also keeps a diary on each project to ensure he is tracking progress in the field. The Project Manager is also responsible for working with the County to gain approval for WSA designed/built projects, which he noted can take up to five (5) weeks for a full set of plans to be reviewed and approved and various permits issued. The Project Manager also serves as the FCWSA's de facto Safety Officer, working closely with the Personnel Administrator to conduct staff training on a monthly basis.

The Project Manager indicated that he works with the WSA's procurement guidelines extensively and the current limits established by the procurement guidelines (requiring at least three (3) estimates for purchases over \$,500 has created issues with suppliers who do not wish to spend time competing with other suppliers for relatively small orders. In addition, because of the FCWSA's limited ability to store supplies due to the lack of a warehouse or storage facility, repair and construction projects are often delayed since many suppliers do not maintain high levels of inventory and are working from a 'just in time delivery' supply model making wait times for everything from pipe to other materials a challenge. The Project Manager felt that having space to maintain reasonable inventories of supplies was a high priority to improving the ability to improve repair times and cited the need to stockpile certain replacement parts for the Bealeton filtration system since parts and equipment for the filtration system come from all over the world.

The Project Manager, who has over thirty (30) years working as a construction professional and project manager in the private sector works appears to work well with the Maintenance and Construction Director and schedules project coordination meetings on projects on a bi-weekly basis.

Findings

- The Project Manager indicated that handling multiple projects is a challenge and that he can handle one or two larger ones at a time well.
- The Authority's current procurement regulations and existing procurement limits present challenges in time expended by staff for emergency and smaller projects.
- No Authority-wide project management software has been developed or procured resulting in staff developing their own programs.

Recommendations

- The FCWSA needs to update its procurement regulations to increase discretionary procurement limits and reduce time spent for obtaining quotes for small and emergency based projects.
- The Authority needs to consider purchasing project management software for construction projects managed by the Authority which provides needed information for status, progress, and expenditures for the project.

Waterworks - The FCWSA Waterworks Supervisor is an experienced waterworks system operator with fifteen (15) years of experience in the water operations field and is a licensed waterworks operator. The division is staffed with eight (8) full-time employees (Supervisor, four (4) Waterworks Operators, a Waterworks Trainee, a Utility Worker (who performs minor maintenance and upkeep of waterworks assets), and a Meter Reader (who both manually and electronically reads meters on a monthly basis). In addition, the Supervisor manages sixteen (16) (15 owned/1 contracted) FCWSA water production and distribution systems which are located, in no particular pattern, throughout Fauquier County. A new system, located in Opal, is in the planning stage. The random distribution of these systems often creates challenges during periods of short staffing where travel can be

up to thirty- six (36) miles one way, if an operator needs to travel from Paris to Bealeton. Employment within the division has been stable with limited turnover of employees.

Each water system incorporates a different design and they range from a small system in the village of Paris in Northern Fauquier County to fairly large and sophisticated systems in both Bealeton and New Baltimore, requiring differing amounts of time to service. All systems present operating challenges in dealing with high-levels of minerals which increase the treatment required. The New Baltimore system consists of a number of formerly private systems tied together which, due to water quality issues and system design, requires the system be completely flushed every two (2) months, which involves two (2) operators.

The remaining systems owned by the FCWSA are also challenging to operate due to the various types of designs and treatment processes (Paris is a small ultra- filtration system; Bealeton, a large ultra- filtration system and Turnbull a small ion exchange system, all of which serve as examples of differing treatment methods which coupled with the need to remove arsenic, copper, lead and deal with high manganese and iron issues in some well supplies due to the various systems groundwater quality) result in a variety of challenges. In accordance with VDH operating permits, three (3) bacteria tests are conducted per system per month with a total of thirty-one (31) bacteria tests per month, as well as related tests for mineral content and other parameters as established by each system's permit.

In the past, system maintenance has been on a reactive basis due to available resources and the lack of longer range planning that has since been instituted by the current Associate General Manager- Operations. For example, no water tank maintenance program was in place, consequently some tanks, such as the primary tank in New Baltimore's system have never been drained, cleaned, and painted. That process is now in place, but because the configuration of the New Baltimore system it is a more complicated process due to the system's design. Currently, staff conducts minor maintenance of each system while major maintenance is contracted out.

Due to the challenges presented in operating a wide range of systems with different design standards, the staff is working to develop more uniform design and equipment standards which will reduce the complexity of operation and will allow for standardization of equipment and the opportunity to create a parts inventory when repairs are needed. In addition, while a master plan exists for the New Baltimore system it has not been implemented due to a lack of resources. In addition, the WSA's overall master plan has been in place since 1997, but never fully implemented.

Internal communication within the division between Engineering and Project Management staff appears to be good. But communication is described as not being as strong between the Maintenance and Construction division as evidenced in a major leak in the Auburn Crossing system not being communicated to all divisions to allow for adjustments of operations.

As noted, daily (seven days per week) oversight for the water system is provided by the eight (8) staff of the Waterworks Division who are assigned specific zones for well system oversight. On weekends, when two (2) operators are on duty each operator can have up to thirty (30) stops on a shift. Due to current staffing levels and the need to check and sample wells in accordance with Department of Health requirements seven days a week, the division is fully staffed only on Tuesday and Wednesday, with the Supervisor often working a shift to allow for employee vacations, illness, attendance at training sessions, and coverage on the weekends.

Technology and its use is limited with large amounts of data, such as well production, still being tracked manually. This data when required for reports is manually transferred into a digital format by other WSA staff for preparation of monthly and annual reports. The system takes advantage of SCADA technology which allows for

continuous monitoring of processes and gathering of data, but the use of the data could be enhanced.

Position descriptions for the various positions appear to be accurate in description of duties but are lacking in consistent format and in the physical description of the duties required to be performed.

Findings

- The Division is challenged in making timely repairs to certain parts of the system (microfilters) due to a lack of storage space for a parts inventory.
- Staff are challenged to meet current well system visitation requirements due to current numbers, permit requirements, training, vacations, etc.
- Cross training of staff (water and sewer operators) is taking place, but without financial recognition for holding dual operating licenses.

Recommendations

- Additional staff according to the staffing analysis which follows are required. In adding staff additional equipment will be required.
- In concert with other FCWSA divisions and possibly other local agencies planning should take place to plan for and build a facility to maintain an adequate parts inventory for emergency repairs.
- Establish a program to recognize the value of cross training and certification of operators.
- Automation of collection of well production data needs to be immediately explored to reduce time spent in converting hand-written data.

Wastewater - The County operates three wastewater treatment plants (Remington, Marshall, and Vint Hill) that treat approximately 1.49 MGD of wastewater, which includes above average amounts of infiltration and inflow according to staff. Treatment capacity is provided by a 2.0 MGD plant in Remington, a 0.64 MGD in Marshall, and 0.950 MGD WWTP at Vint Hill Farms, Virginia, serving a total of approximately 8,500 customer accounts. The FCWSA wastewater treatment plants are staffed eight (8) hours a day, seven (7) days a week by ten (10) licensed wastewater treatment plant operators, who are supplemented by one (1) waterworks/wastewater floater position. Wastewater operations are managed by the Associate General Manager-Operations, whose past experience is rooted in wastewater treatment operations.

Past emphasis in FCWSA operations by former General Managers was focused on wastewater production and distribution and because of this, relationships with state water regulatory agencies were strained and long-range planning for system maintenance and improvements was non-existent. Consequently, studies to curb infiltration and inflow (I/I) into the wastewater collection system have not been completed and major problems appear to exist in two of the three systems the FCWSA owns and operates (Remington and Marshall) while the Vint Hill system which the Authority operates also appears to have significant I/I issues. The current Associate General Manager-Operations appears to have built stronger and more positive relationships with the regulatory agencies, but long-range planning appears to continue to lag with infiltration/inflow analyses just beginning for the Remington system.

Position descriptions for the various positions appear to be accurate in description of duties but are lacking in consistent format and in the physical description of the duties required to be performed.

Findings

- Cross training of staff (water and sewer operators) is taking place, but without financial recognition for holding dual operating licenses.
- Prior General Managers have emphasized water operations over wastewater operations and little planning has taken place for wastewater improvements.

Recommendations

- Establish a program to recognize the value of cross training and certification of operators.
- Increase analysis of current wastewater system facilities conditions and capacities and develop a long-range plan of improvements.

Current Staffing and Needs Analysis

The methodology used in this organizational assessment study to analyze staffing levels was based on criteria that varied depending on the FCWSA division being analyzed. This variation is the result of the range of differing services provided by the FCWSA's division included in the analysis.

The analyses and the resulting conclusions reached by Springsted were developed using comparative benchmark data as a guide. However, one of the difficulties in comparing entities is that no two entities are exactly alike in the way they are organized, in the size and configuration of their service areas, and the manner they deliver services. Four (4) entities were selected for comparative purposes that we believe are reasonably comparable to the FCWSA using the criteria noted above. These included:

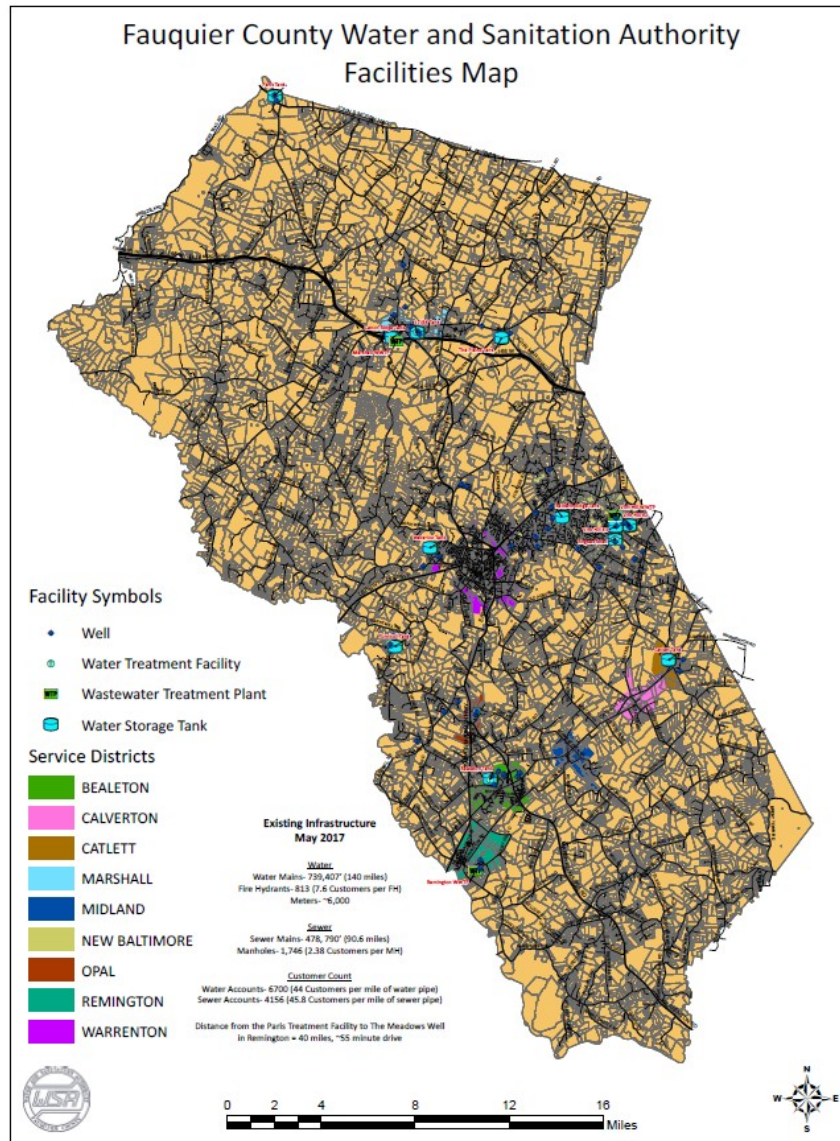
- Augusta County Service Authority
- King George County Service Authority
- Bedford Regional Water Authority
- James City Service Authority

These utilities vary widely in the breadth of their operations, each of them provide water and sewer services in a geographically dispersed service area similar to Fauquier County Water and Sanitation Authority. The James City Service Authority does not provide wastewater treatment for its customers, but does operate a large sewer collection system. The common dispersed service areas allow for comparison on a benchmark data basis for key operating factors. A comparison of each utility's characteristics is shown in the table below.

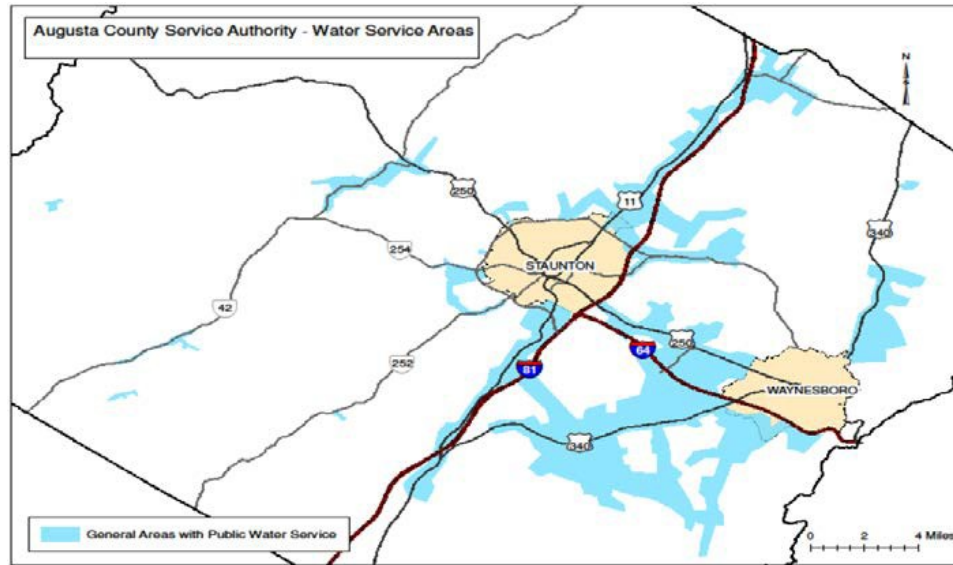
	Augusta County Service Authority	King George County Service Authority	Bedford Regional Water Authority	James City Service Authority	Fauquier County Water And Sanitation Authority
Employees F.T.E.s					
Administration/Engineering/Customer Service	25	6	24	37	13
Water and Sewer Plant Maintenance & Operators	33	19	24	29	19
Water and Sewer Line Maintenance & Construction	37	4	16	23	13
Landfill-on-site	15	-	-	-	-
Total F.T.E.s	110	29	64	89	45
Water System					
Customers	14,773	3,979	12,861	21,669	5,906
Number of Water Systems	12	12	4	10	1
Miles of water mains	419	250	352	407	142
Daily average water produced & treated or purchased (MGD)	4.495	0.730	2.962	4.700	1.490
Sewer System					
Customers	8,963	2,229	4,576	23,402	4,219
Number of treatment plants	9	5	3	-	3
Miles of Sewer mains	234	200	141	439	91
Daily Average treatment or Collection (MGD)	3.763	0.410	1.372	5.104	1.492
Lift Stations	28		22	76	14

A map of the service area for each entity is shown on the following pages.

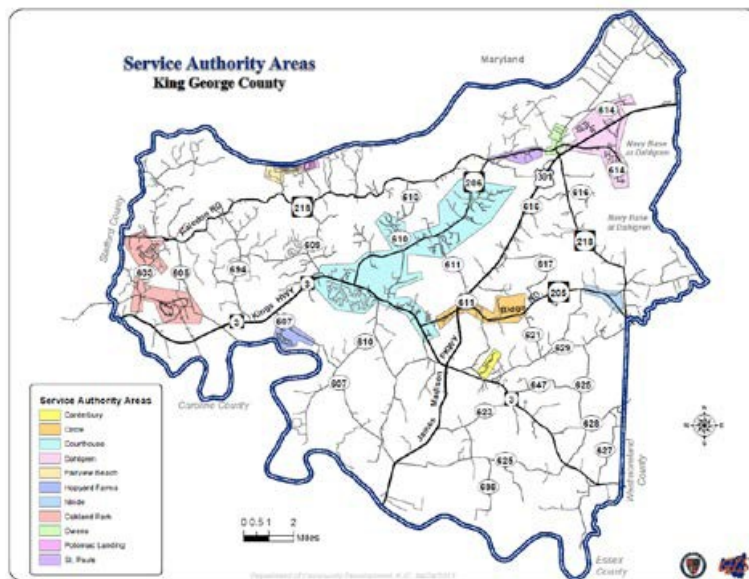
Fauquier County Water and Sanitation Authority Service Area Map



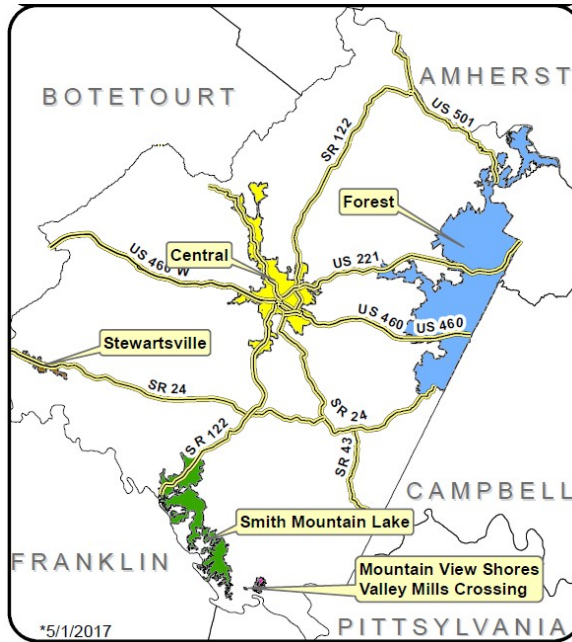
Augusta County Service Authority Map



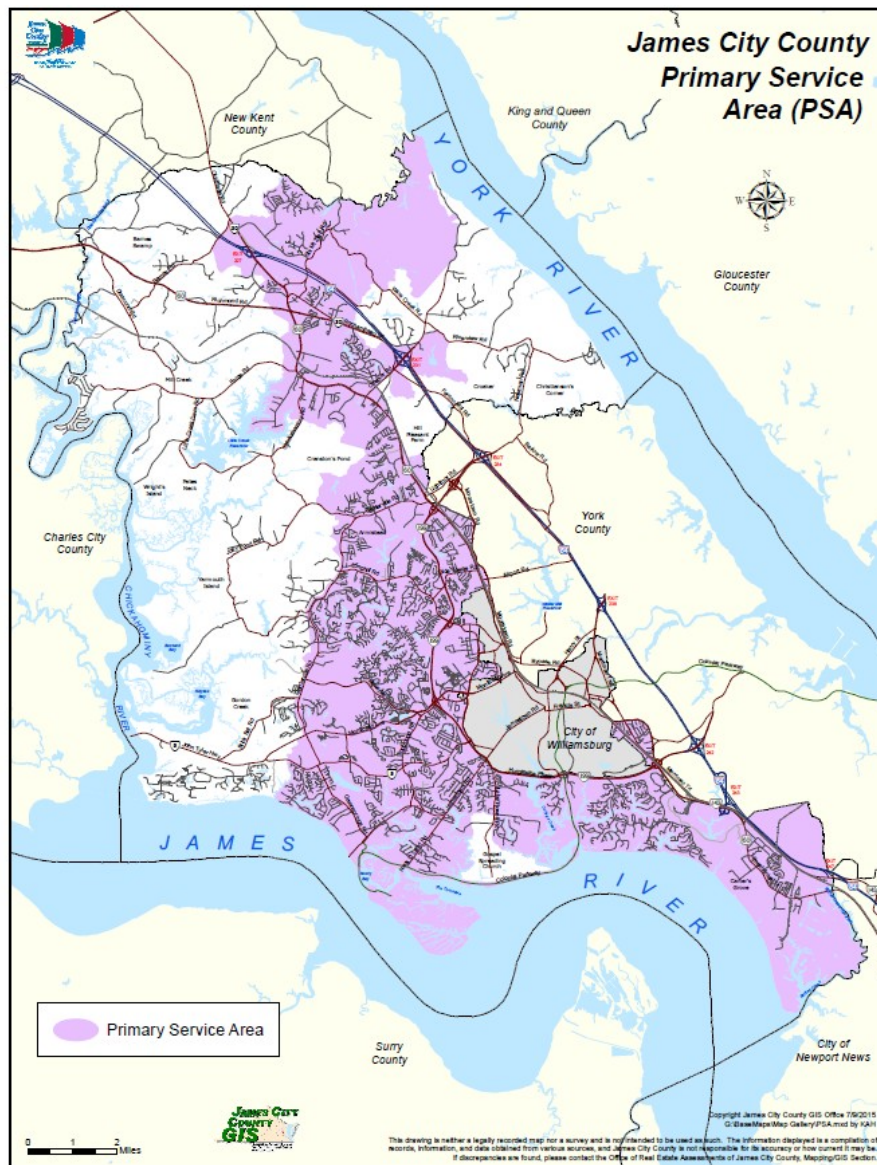
King George Service Authority Map



Bedford Regional Water Authority Map



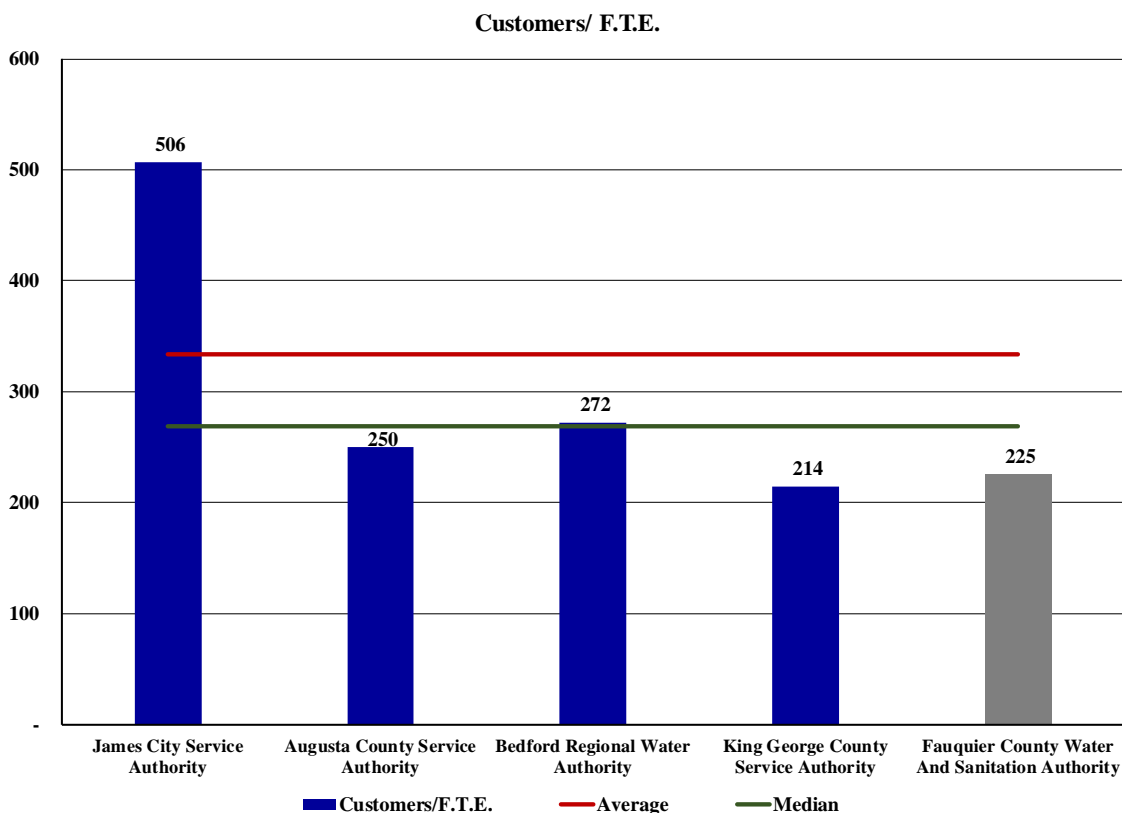
James City Service Authority Map



Total Staffing Level Comparison

The total staffing levels of the utilities can be compared based on the number of customers supported by each full-time-equivalent employee (F.T.E.). This comparison indicates that James City Service Authority staff supports 506 customers/F.T.E., the highest of the comparison group. The Fauquier County Water and Sanitation Authority staff supports 225 customers/F.T.E. which is less than three (3) of the comparison utilities and less than both the average and median of the comparison utilities. Only the King George County Service Authority staff supported fewer customers at 214 customers/F.T.E. However, it is important to put this comparison in context in that there are individual characteristics of each utility that result in their current staffing levels reflected in the benchmark comparison. These will be discussed in subsequent sections of this report. This comparison is shown in the table and chart below.

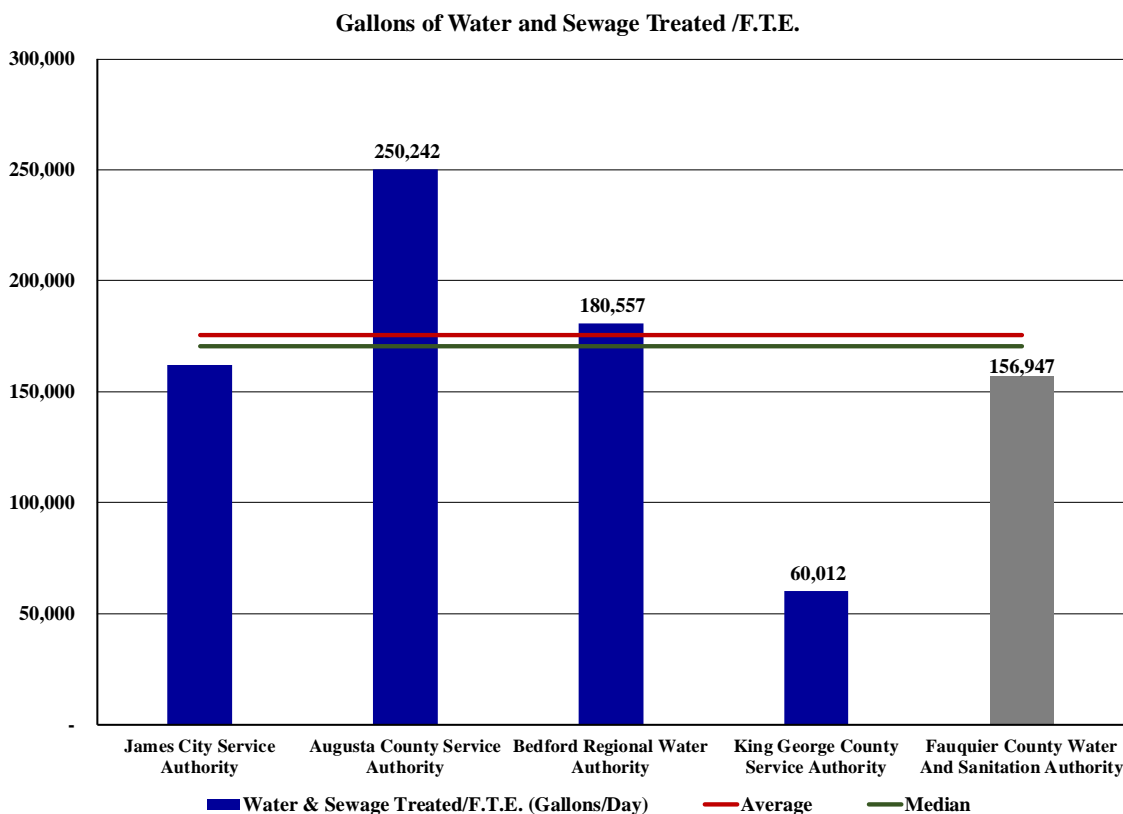
Utility	F.T.E.s	Water & Sewer Customers	Customers/F.T.E.
James City Service Authority	89	45,071	506
Augusta County Service Authority	95	23,736	250
Bedford Regional Water Authority	64	17,437	272
King George County Service Authority	29	6,208	214
Average	69	23,113	334
Median	77	20,587	269
Fauquier County Water And Sanitation Authority	45	10,125	225



Water and Wastewater Treatment Staffing

Staffing for water and wastewater treatment is compared based on the gallons of water and wastewater treated daily for each utility and the number of F.T.E.’s dedicated to water and sewer plant maintenance and operations. The Fauquier Water and Sanitation Authority treats approximately 156,947 gallons of water and sewer/F.T.E. per day. This was less than both the 175,539 gallons/F.T.E. per day average and 170,441 gallons/F.T.E. per day median for the comparison group. Only the King George County Service Authority treated less water and sewage/F.T.E. per day at 60,012 gallons. This comparison is shown in the table and chart below.

Utility	F.T.E.s	Total Water and Sewage Treated (MGD)	Water & Sewage Treated/F.T.E. (Gallons/Day)
James City Service Authority	29	4.700	162,069
Augusta County Service Authority	33	8.258	250,242
Bedford Regional Water Authority	24	4.333	180,557
King George County Service Authority	19	1.140	60,012
Average	26	4.608	175,539
Median	27	4.517	170,441
Fauquier County Water And Sanitation Authority	19	2.982	156,947



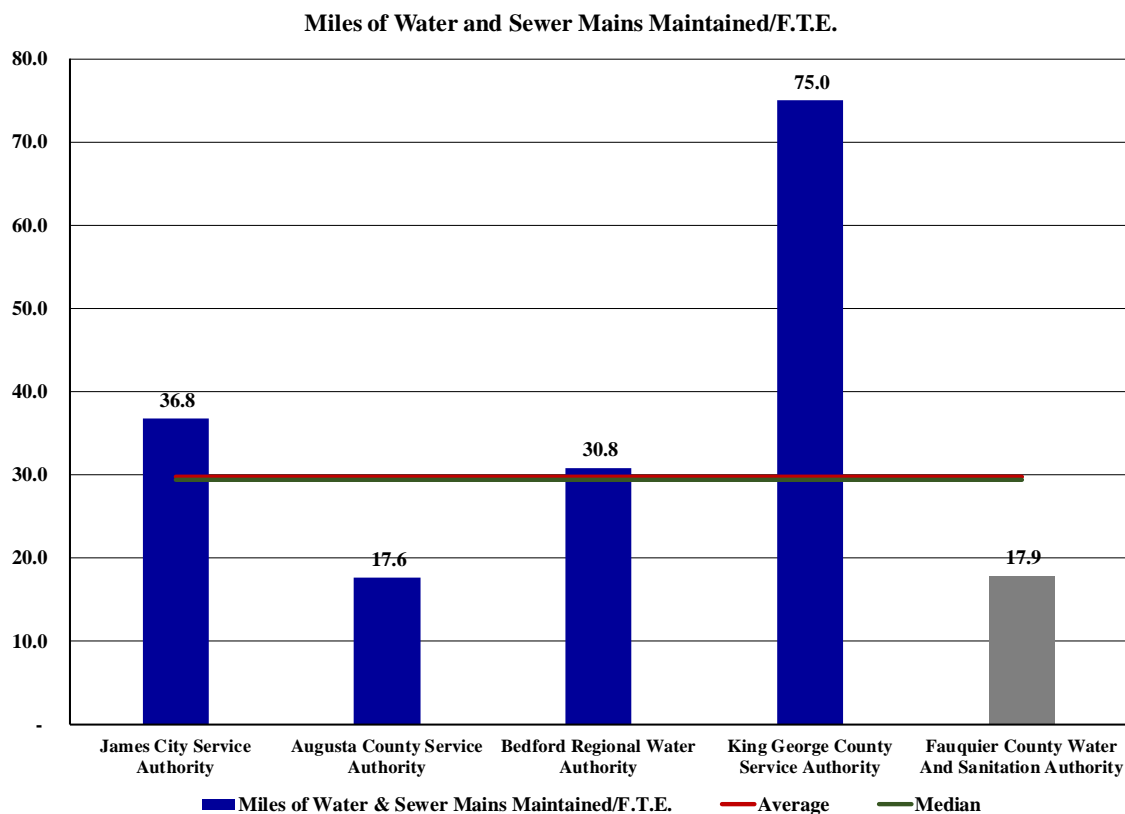
The staffing level for water and wastewater treatment shown above does not provide the most equitable comparison because it does not factor in the differences in the number of water systems and treatment plants operated and maintained. The Fauquier Water and Sanitation Authority operates and maintains sixteen (16) water systems and three (3) wastewater treatment plants for a combined total of nineteen (19) systems; which are also more diverse in treatment processes and geographic ‘spread’ than the FCWSA’s systems. The systems are staffed seven (7) days a week in accordance with state permit requirements. Only the Augusta County Service Authority, a much larger utility, operates and maintains a larger number of water and wastewater treatment systems at twenty-one (21). Our review and discussion with the managers in the FCWSA Operations division indicates one more wastewater operator is needed to insure adequate coverage is available. To provide the greatest flexibility, it is recommended that an additional Waterworks/Wastewater Floater be added. This will provide the Operations Division with the ability to cover both water and wastewater staffing functions based on an as needed basis.

Recommendation: Add one (1) additional Waterworks/Wastewater Floater to current staffing levels.

Water and Sewer Main Maintenance and Construction

The staffing level for the maintenance of water and sewer mains can be compared based on the miles of water and sewer mains/F.T.E. The Fauquier Water and Sanitation Authority maintains approximately 17.9 miles of water and sewer mains/F.T.E. which was less than both the 29.8 miles of water and sewer mains maintained/F.T.E. average and the 29.4 miles of water and sewer mains maintained/F.T.E. median for the comparison group. Only the Augusta County Service Authority maintained fewer miles of line per F.T.E. at 17.6 miles of water and sewer mains maintained/F.T.E. It is our opinion that the staffing level for this function is adequate based on the geographic distribution and number of the Fauquier Water and Sanitation Authority systems. This comparison is shown in the table and chart below.

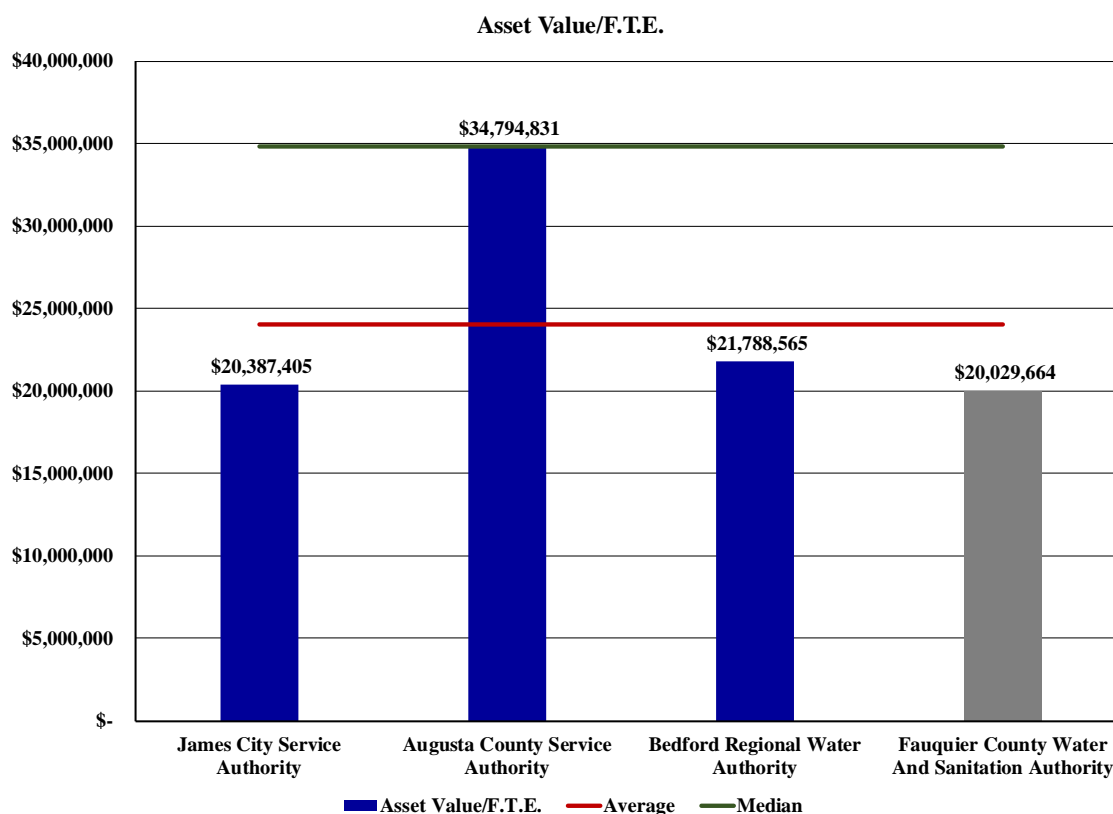
Utility	F.T.E.s	Total Miles of Water and Sewer Mains	Miles of Water & Sewer Mains Maintained/F.T.E.
James City Service Authority	23	846	36.8
Augusta County Service Authority	37	653	17.6
Bedford Regional Water Authority	16	493	30.8
King George County Service Authority	6	450	75.0
Average	21	611	29.8
Median	20	573	29.4
Fauquier County Water And Sanitation Authority	13	233	17.9



Engineering

A comparison of engineering staff is more problematic because of the use of outside consultants, the differing treatment processes, and the age and condition of assets for the FCWSA and the systems benchmarked. However, a comparison was made based on the value of assets being depreciated/F.T.E. The Fauquier County Water and Sanitation Authority has total assets being depreciated of \$120,177,986. These assets are managed by an engineering department consisting of six (6) F.T.E.'s resulting in an asset value ratio of \$20,029,644/F.T.E. The Fauquier WSA's ratio is approximately the same as the James City Service Authority and just slightly less than the Bedford Regional Water Authority's. The Augusta County Service Authority had the highest ratio at \$34,794,831. The King George County Service Authority does not have any engineers on staff, the County Engineering Department provides this service to them. The comparison is shown in the table and chart below.

Utility	F.T.E.s	Total Assets Being Depreciated	Asset Value/F.T.E.
James City Service Authority	14	\$ 285,423,670	\$ 20,387,405
Augusta County Service Authority	6	\$ 208,768,983	\$ 34,794,831
Bedford Regional Water Authority	6	\$ 130,731,391	\$ 21,788,565
Average	9	\$ 208,308,015	\$ 24,035,540
Median	6	\$ 208,768,983	\$ 34,794,831
Fauquier County Water And Sanitation Authority	6	\$ 120,177,986	\$ 20,029,664



Two (2) areas of concern in the staffing of the Engineering function are noted. The first is that the Director of Engineering is not an engineer. The position description for the Director of Engineering specifically states the necessary education and experience required, is a bachelor's degree in engineering and at least ten (10) years of related professional level engineering experience in the water and sewer field. It also states the Director of Engineering must possess a professional engineer's license valid in the Commonwealth of Virginia. The current

Director of Engineering does not meet these requirements and there is no publicly available information as to how and why the current appointment was made. Consequently, the current staff person appointed to serve in the Authority's Engineer's position, which is primarily focused on plan review is the only registered professional engineer on the staff of the utility placing the utility at a disadvantage in its ability to adequately plan for future system improvements. This is borne out by our discussions with the Authority members and management staff which indicated a need for improved short and long-range infrastructure planning for the utility to better identify needs and to more clearly focus resources which is lacking under the current structure and staffing arrangements. Because of the need to more closely align future resources through a coordinated planning effort it is recommended that a new position of Infrastructure Planning Engineer be added to the Engineering Department and that the new position require and be filled with a registered professional engineer experienced in the planning and design of water and wastewater infrastructure to supplement current staff and that the division be reconfigured as noted in other sections of this report.

Recommendation: A new position of Infrastructure Planning Engineer be added to the Engineering Department and a registered professional engineer experienced in the planning and design of water and wastewater infrastructure be added to the staff,

Finance and Administration

The estimated staffing need in the finance, human resources, and IT functions were estimated based on national benchmark data due to the difficulty in obtaining data from the benchmarked organizations. The staff required for the FCWSA's finance function is estimated based on a the *2017 Benchmarking the Accounting & Finance Function* by Robert Half and the Financial Executives Research Foundation. Benchmarking data utilized, based on a survey of more than 1,400 public and private organizations in the United States and Canada, provides a very large base of data for comparison purposes. The Fauquier Water and Sanitation Authority had revenues of approximately \$12 million in its most recently completed fiscal year. The benchmarking data shows that organizations with revenues less than \$25 million were staffed as follows in their internal accounting and finance function:

- Bottom quartile 2.0 F.T.E.'s
- Median 3.0 F.T.E.'s
- Top quartile 5.0 F.T.E.'s

It would be our opinion, based on this benchmarking data and our on-site data gathering, that the Fauquier Water and Sanitation Authority's accounting and finance functions would be adequately staffed at 3.0 F.T.E.'s

Staffing for the agency's human resources function was estimated using benchmark data from two (2) sources. The first was the *2017 HR Department Benchmarks and Analysis* published by Bloomberg BNA which is based on a survey of 681 organizations. This data indicated that the ratio of human resource staff to total employee headcount was 1.4 F.T.E. for every 100 employees. The second was the *2016 Human Capital Benchmarking Report* by the Society for Human Resource Management (SHRM) which showed a staffing ratio of 1.33 F.T.E.'s for every 100 employees. Both of these data sources are consistent with the long-held rule of thumb that an organization needs one (1) human resources staff member for each 100 employees. The Fauquier County Water and Sanitation Authority has 46 F.T.E.'s which would indicate a need for approximately 0.6 F.T.E.'s in its human resources function.

Utility billing generally requires 1.0 F.T.E. to process 2,300 bills per month based on previous studies we have conducted. The Fauquier Water and Sanitation Authority has 5,906 water customers and 4,219 sewer customers although most customers receive just one bill for both services. Information provided by FCWSA staff also indicated that approximately seventy percent (70%) of the FCWSA's monthly bills are processed electronically.

If it was assumed that 6,000 bills per month were processed by the FCWSA that would translate to 1,800 monthly bills that would need to process manually requiring 0.8 F.T.E.'s

Information technology staffing ratios can vary widely based on the level of technology in place in an organization. However, experience indicates that typically a ratio of 1.0 F.T.E. for every fifty (50) employees has been the norm in prior organizations we have reviewed. Based on that ratio, the Fauquier Water and Sanitation Authority would need 0.9 F.T.E.'s of I.T. staff.

The total minimum staffing needed for FCWSA's finance and administration division would then be the sum of the staffing determined for the individual functions as described above:

- Finance 3.0 F.T.E.
- Human Resources 0.6 F.T.E.
- Utility Billing 0.8 F.T.E.
- Information Technology 0.9 F.T.E.
- Total F.T.E. needed 5.3 F.T.E.

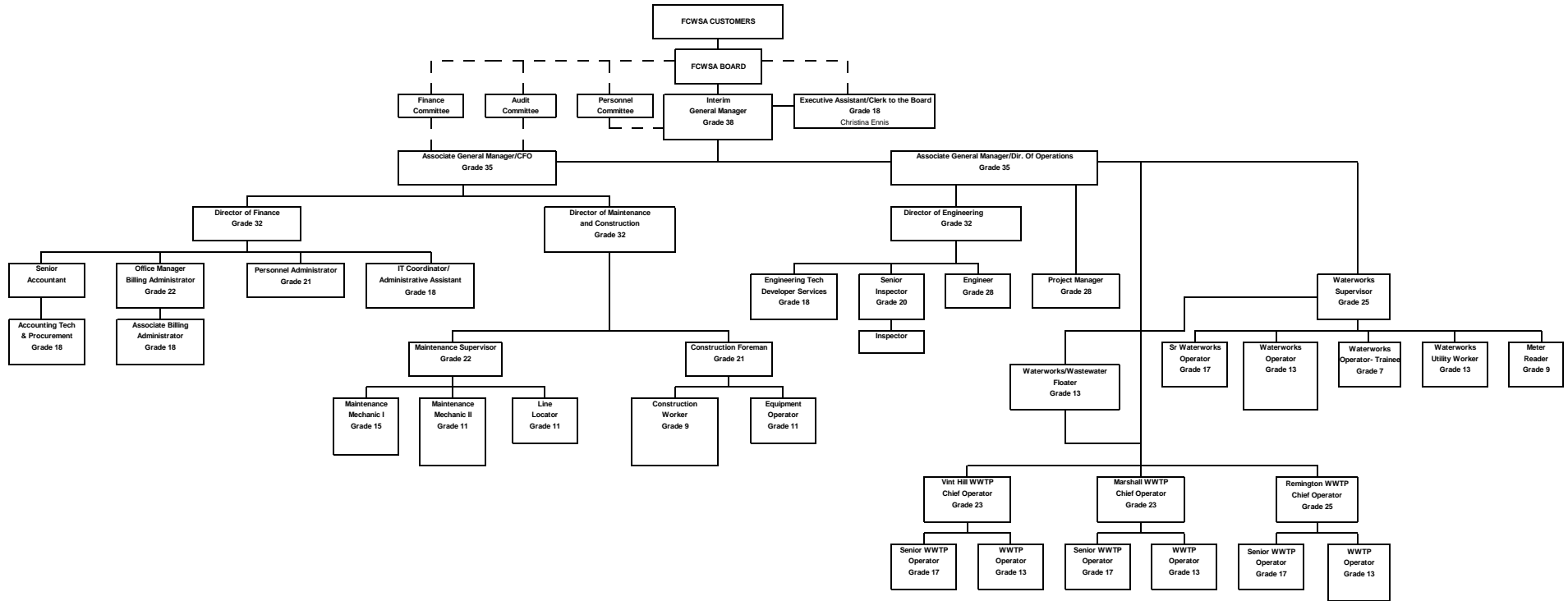
The current staffing level includes 7.0 F.T.E.'s or 1.7 F.T.E.'s greater than the minimum. However, while the minimum staffing level is based on averages it is also important to recognize that it is difficult to have and retain 0.6 and 0.8 F.T.E.'s so these partial ratios for positions usually result in those positions being rounded up to full-time equivalent positions. In most organizations we have worked with, some duties being shared with other positions, or cross-training is also being utilized, which is true within the FCWSA. The rounding of positions, as described, would increase the practical minimum staffing level at the FCWSA to 6.0 F.T.E.'s. It is our opinion that the current staffing ratio of 7.0 F.T.E.'s is appropriate for the finance and administrative functions of the FCWSA based on our analysis of the operations which indicates some of the employees in this division perform additional tasks not directly associated with the finance and administrative functions of the division. For example, the Associate Billing Administrator manages the phones, takes customer information, sets up new accounts and files liens all of which are essential functions not related to the finance functions measured for staffing levels.

We are aware that subsequent to the data gathering that the Associate General Manager/CFO position will become vacant by year end. It is our recommendation this position be abolished, and the vacant Senior Accountant position should be filled to maintain the overall staffing level in the division at 7.0 F.T.E.'s

Recommendation: The Associate General Manager/CFO position should be abolished, and the vacant Senior Accountant position should be filled to maintain the overall staffing level at 7.0 F.T.E.'s

Organizational Structure - The FCWSA's current organizational structure appears to have developed under former General Managers in a manner which worked to balance numbers of employees supervised, as opposed to functional distribution of responsibilities to the two (2) Associate General Managers. The current structure which designates an Associate General Manager Chief Financial Officer and an Associate General Manager of Operations places a majority of the Authority's field operations, but not all, under the Associate General Manager of Operations, assigning oversight of maintenance and construction functions to the Associate General Manager Chief Financial Officer. It is our opinion that this alignment, on a functional basis, is not the best alignment of supervisory responsibilities given the knowledge required to ensure construction and repairs are carried out efficiently and effectively, given that finance professionals and the administrative functions they typically oversee are significantly different than the construction and utility repair knowledge required to effectively build and/or repair a utility system. The current organizational structure is shown on the following page.

Existing Organizational Structure August 2017

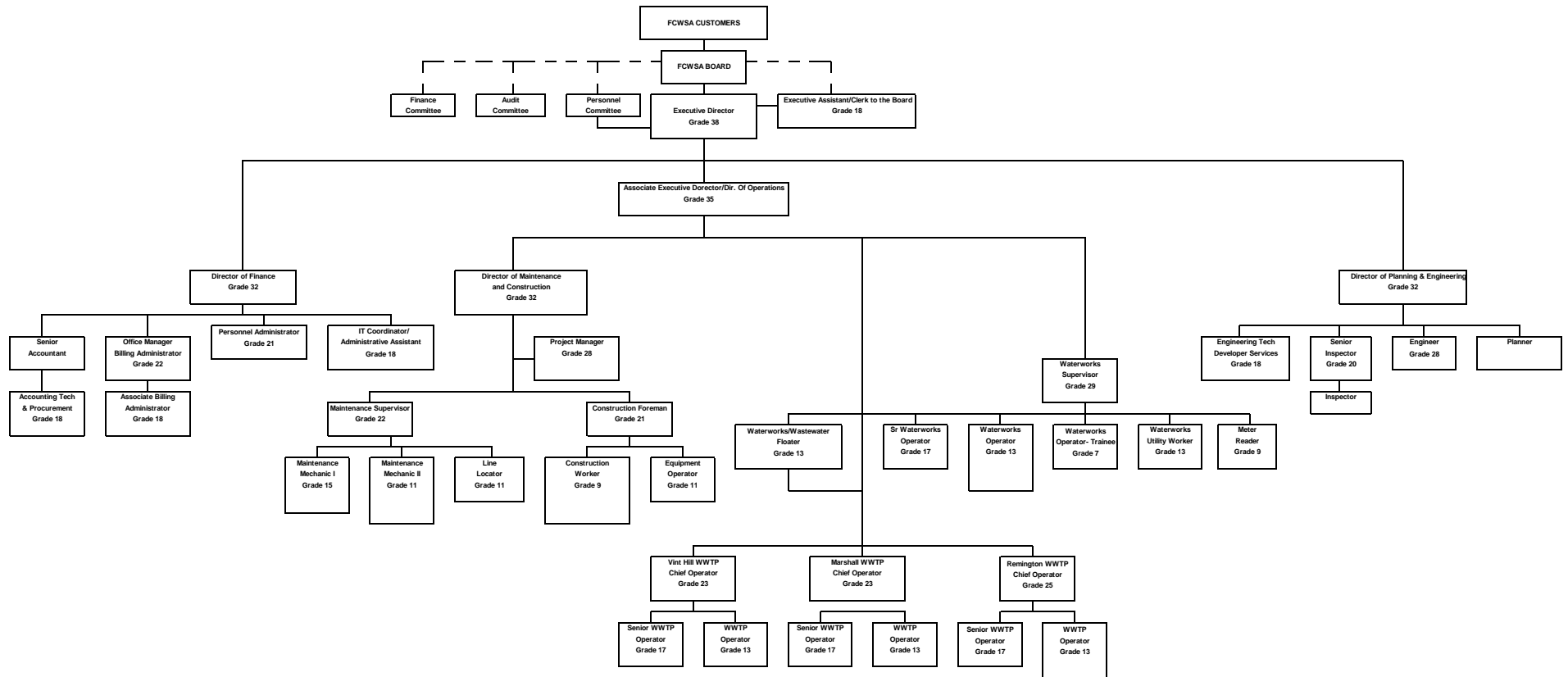


Recommended Organizational Alignment - Upon closer examination of our recommended staffing levels for the FCWSA it is recommended that the organizational chart on the following page be adopted by the Board of Directors after discussion with the new Executive Director (formerly General Manager). The functional relationships which follow place like functions in like areas of relationship, while maintaining, reasonable reporting numbers to all direct supervisors, and will allow for a better allocation of resources for the Authority in the future. As such, it is our best professional recommendation given our experience in the field of organizational management and our assessment of the available resources of the Authority. It is recognized in discussions with the Personnel Committee, however, that a stronger emphasis on planning and an alternative structure, may be considered.

As such the proposed structure includes:

- An assumption that the Associate General Manager - Chief Financial Officer's position will be eliminated, and the Finance Director will assume current responsibilities for the position.
- Moving maintenance and construction functions from the finance area to the operations area where its functions are more in line with what it does. In doing so the recommended change also recognizes that operational challenges in production of water and treatment of wastewater are impacted by distribution and collection and a need to manage those functions as impacts occur is vital to the organization.
- Places the Project Manager in the construction and maintenance function where its responsibilities of planning in-house construction and maintenance projects are most closely attuned to the needs of those carrying out the projects.
- Adding a Planning and Engineering Division whose Director reports directly to the Executive Director to ensure a high level of emphasis on short and long-range planning occurs within the WSA.
- Maintaining direct reports at reasonable levels for all supervisory personnel.

Recommended Organizational Structure



Summary

The Fauquier County Water and Sanitation Authority is an organization which is challenged to meet high-levels of efficiencies that most utilities aspire to due to the geographic ‘spread’ of the systems they are charged with operating, the varied nature of water and wastewater treatment processes in the various systems that have been assigned to them and the conditions of the systems. In addition, over the years, the FCWSA has experienced a lack of strong leadership by former General Managers. Through a lack of focus on the total operation of services provided, needed policy updates and a growing isolation from the Board through restricted or unclear communications the FCWSA is an organization in need of change as it strives to become a public utility operation which is highly respected as a provider of vital services and an organization which is transparent in its practices. The lack of leadership at the chief executive level over the years has also led to the staff becoming more insular and has resulted in diminished levels of communication with the Authority’s Board of Directors and with other agencies. This has also resulted in a number of miscues and errors which have tarnished the reputation of the organization as one which is confident in its operations and has the confidence of others.

Careful consideration of the findings and recommendations included in this organizational assessment and their implementation, where deemed practical, we believe will provide the Board of Directors, the new Executive Director (formerly General Manager) and FCWSA staff with the guidance and change needed to bring the Authority up to a higher level of performance which meets acceptable standards of an organization which plays a vital role in supporting and assisting the County’s Board of Supervisors the future development of the County. In addition, working to implement many of the recommendations will lead to basic conformance with what are considered to be acceptable practices in today’s fast-paced and ever more transparent administrative environment.

In closing, we would suggest that each finding and recommendation be considered objectively to ensure that its implementation best meets the needs of the organization and its future growth and development.