

County Business

VIRGINIA:

At a regular meeting of the King George County Service Authority Board of Directors, held on Monday, the 19th day of May, 2020 at 5:30 p.m. in the Board Room of the Revercomb Building at 10459 Courthouse Drive, King George, Virginia:

PRESENT: Annie Cupka, Vice-Chairman
Neiman C. Young, County Administrator

Remote Presence: Cathy Binder, Chairman
Michael Bennett, Member
James Morris, Member
Allen R. Parker, Jr., Member
Matt Britton, County Attorney

The Following was asked to be formally captured in the minutes:

May 19, 2020

Dear Madam Chair;

Over the last several years, the Service Authority has taken significant steps to move beyond the sad state of affairs of the past. Failures to meet regulatory standards, large fines, equipment and supply mis-management, all leading to a lack of confidence in our public water and waste water system. Through the efforts of this board, the ship is beginning to be righted. Transparent and aggressive management have gotten us back on track toward a properly functioning system.

A major contributor was your decision to get the fiscal house in order. This necessitated a five-year plan of rate increases, beginning with the current fiscal year FY 19/20. The board considered two choices. One was to have near-level increases over the five year period, the other was to have a larger increase the first year, followed by smaller increases. In order to deal with the most pressing equipment issues, the board decided on the first option: a 10% increase in FY 19/20 followed by 4% increases over the next four years. This allowed the most critical equipment issues to be addressed quickly, while still providing financial support to tackle the remaining issues on a scheduled improvement program.

The plan that you set in place last year has proven to be a good one. The physical plant is being brought up to snuff, and our test results are meeting regulatory requirements for discharges into our rivers.

The budget under consideration is the second year of the five year plan, calling for a 4% increase in rates, across the board. I encourage you to stick to the plan and pass the budget as advertised.

Very sincerely

James P. Lynch
8263 Oakwood Drive
King George, VA 22485

Beginning of the Transcript:

00:00 Cathy Binder: I hereby call this meeting of the King George County Service Authority to order. Please take notice that five or more of the committee members are participating by electronic or remote means, without a quorum physically present. Pursuant to the King George County Emergency Continuity-of-Government Ordinance previously adopted by the Board of Supervisor, and under state law, this action is taken as a result of the COVID-19 pandemic, and the Governor's orders regarding limited gatherings and staying in place. Electronic participation is encouraged, and pursuant to the Emergency-Ordinance, physical attendance by the public is not allowed. I now turn it over to all members of this board to state whether they are physically present, or are participating by electronic or remote means. Miss Cupka?

00:44 Ann Cupka: Annie Cupka, physically present.

00:48 Cathy Binder: Mr. Parker?

00:50 Allen Parker: Allen Parker, participating remotely.

00:56 Cathy Binder: Mr. Bennett? Mr Bennett?

01:10 Michael Bennett: Sorry, I thought my microphone was on. Mike Bennett, participating remotely.

01:16 Cathy Binder: Mr Morris?

01:16 James Morris: James Morris, participating remotely.

01:20 Cathy Binder: And Cathy Binder, participating remotely. I now turn it over to all members of the board... I'm sorry. Staff and the clerk are responsible for receiving public comment. Notice of opportunities for the public to access and participate have been widely disseminated on the County website, and through other county resources. I direct the clerk to include this statement, and the

members remotely participating, and those physically present to be memorialized in the minutes. We have a call to order, and an invocation by Mr Parker. Mr Parker, take it away.

01:53 Allen Parker: Thanks. If everybody can bow their heads. Heavenly Father, we wanna thank you for the many blessings in our lives, and ask that you watch over the citizens of King George, daily. We ask, as we gather here tonight, that you provide guidance and wisdom. That we make decisions that are in the best interests of our customers, as well as the citizens of King George at large. We ask these things in your name. Amen.

02:19 Cathy Binder: Amen. Mr Weakley, The Pledge of Allegiance.

[pause]

02:43 Cathy Binder: Mr Weakley we didn't hear you. Your microphone is in the board meeting, the board-room there.

02:49 Jonathon Weakley: I apologize, I had my mic off, but you didn't hear any sound through the other? .

03:01 Cathy Binder: No, we didn't hear any sound.

03:02 Jonathon Weakley: Okay.

03:02 Cathy Binder: Okay. Is there any amendments to the agenda?

03:04 Jonathon Weakley: No amendments, Madam Chair.

03:08 Cathy Binder: Alright public comments, comments will be limited to three minutes per person, in order to afford everyone an opportunity to speak. If comments relate to a specific public-hearing item, we ask that you offer those comments at the time of the public-hearing. Is there anyone who submitted correspondence, not for the public-hearing, but just as public comment? Mr. Weakley?

03:28 Jonathon Weakley: No ma'am, Madam Chair. There are no public-comments that were submitted.

03:32 Cathy Binder: Does any board-member have any public comments? Then no. And is there anyone online that would like to give a statement that is not pertaining to the public-hearing?

03:52 Jonathon Weakley: Do you have anybody on-line?

03:55 Cathy Binder: No, I do not.

03:56 Jonathon Weakley: No ma'am. No, ma'am.

04:00 Cathy Binder: Alright. We will move on to reports from members of the board. Mr. Bennet? .

04:04 Michael Bennett: Thank you Madam Chair. I have one item I'd like to share. At our meeting on April 21st, I reported on the progress of the FEMA grant for the riverbank stabilization project. I said on

April 21st that it appeared that FEMA had accepted the environmental assessment report, prepared by Schnabel Engineering. And that since the environmental-assessment was finalized, it could be posted on the FEMA website, for the 30-day comment period. Before our meeting two weeks ago, when I followed up on this, I was unable to find the EA on the FEMA website. I then followed up with Schnabel Engineering, and learned that unfortunately, as of May 5th, FEMA had still not approved the environmental-assessment. Yesterday, May 18th, I did receive an email from Schnabel, that FEMA had just provided what we hope are the final required revisions to finalize the EA.

05:07 Michael Bennett: FEMA has replied... Has on three occasions, provided revisions to Schnabel. I thought after the second one they were done, but there's a third one that was received yesterday. We are hoping those will be the final revisions, and Schnabel should make those changes and return the EA to FEMA shortly, hopefully by the end of this week. If anyone is interested, I can give you the detailed timeline and specific actions that must still occur. But the short answer is that, all of the relevant parties agree that we're looking at a minimum of six to eight months until construction could begin. This estimate was agreed to by Schnabel, Chris Werle and Travis Quesenberry, the county-engineer. So that includes all the actions of the county, once the FEMA grant portion is completed, which would include the the invitation for bids, and [05:58] ____.

05:58 Michael Bennett: Some people who have seen this timeline think it's optimistic, but, a girl can dream. As a practical matter, this means that construction will possibly begin as early as November, 2020, or as late as January, 2021. However, since that's the middle of winter, I think it's more likely that construction would begin in the Spring of 2021. That's all I have madam chair.

06:30 Cathy Binder: Thank you, Mr Bennett. Mr. Morris? .

06:32 James Morris: Nothing ma'am.

06:34 Cathy Binder: Mr. Parker? .

06:36 Allen Parker: No report ma'am.

06:38 Cathy Binder: Miss Cupka.

06:44 Ann Cupka: Thank you, Madam Chair. I do have a brief report. On May 14th, the Board of Supervisors held a budget hearing and adopted a second extension of the continuing declaration of local emergency for King George County. I spoke in support of this extension and the impact that it would have on our service authority customer base. Without it in place, we could not waive the late payment fees charges and interest on your accounts should you experience a financial hardship. As I stated on Thursday evening, we need to do everything we can to help our customers get through this. Particularly, when one of the primary simplest courses of action to fight disease, we as individuals can all exercise on our own is to wash your hands with soap and water. On another note, I want to thank Mr. Weakley and his staff for resolving an electronic billing issue for an elderly customer who lacked online access to the new billing system. Thank you very much.

07:46 Cathy Binder: Thank you. Miss Cupka. As one of the only two members of the Board of Supervisors on the service authority, I too, voted with Miss Cupka and agreed that we needed to help out our customers especially those that might be on financial hard times right now, but I have no further board report. Thank you.

08:03 Michael Bennett: Madam Chair?

08:05 Cathy Binder: Yes, Mr. Bennett.

08:08 Michael Bennett: I'd like to mention one thing before we're finished here with reports.

08:11 Cathy Binder: Go ahead.

08:13 Michael Bennett: I think my wife showed me on Facebook that Miss Cupka and Stephanie Young, Dr. Young's wife, provided a meal for our service authority headquarter staff and all who were available. So, I just wanna say thank you on behalf of the board. That was a great thing for you ladies to do and kudos. Thank you very much.

08:33 Cathy Binder: Thank you, Mr. Bennett. I wish I could cook so well as they can. But, yeah, we do appreciate that. And thank you, Miss Cupka and Mrs. Young for doing that. Thank you. We move on to the consent agenda. Do I have a motion to accept the consent agenda?

09:02 Ann Cupka: So moved.

09:02 Michael Bennett: Second.

09:02 Cathy Binder: Any discussion? All those in favor?

09:04 All: Aye.

09:07 Ann Cupka: Aye.

09:08 Cathy Binder: Any nays? Chair votes on, motion carries. A report from the county attorney, Mr. Britton.

09:16 Matt Britton: Thank you, Madam Chair. Mr. Weakley asked me to address the continuity of government ordinance that was passed by the county. And it's a 60-day ordinance and runs up through June, the 6th. Would you like me to explain what effect that may have on the service authority? Would you like me to address it at this time? He asked me to address it in this report.

09:40 Cathy Binder: Yes, please.

09:43 Matt Britton: Okay. So, the King George County Board of Supervisors passed a continuity of government ordinance, which amongst other things, allowed for this meeting to take place without a quorum, all of the boards and commissions in King George County with the exception of the school board, which is an independently elected political body, but it does cover the service authority. So, I

believe Mr. Weakley got an inquiry, what will happen if the King George County Board of Supervisors does not extend the continuity of government ordinance.

10:19 Matt Britton: And the effect on the service authority will be little because since the time of the continuity of government ordinance, which allowed for the boards to meet entirely remotely, both the governor through his budget and the general assembly by law amended House Bills 29 and 30 to allow for all electronic meetings. So, in the event that the Board of Survivors, when they address this on June the 2nd whether to extend the continuity of government ordinance for that reason or for other reasons, it would have no effect on the ability of the King George County service authority board to continue to meet without a quorum physically present. That's all.

11:08 Cathy Binder: Thank you so much for clarifying that, Mr. Britton. Does anybody else have any questions on this for Mr. Britton?

11:15 Michael Bennett: Madam Chair, I have a question.

11:19 Cathy Binder: Go ahead, Mr. Bennett.

11:22 Michael Bennett: Yes. Mr. Britton, how long does the general assembly's authority last?

11:32 Matt Britton: I will tell you right now. It lasts into 2021. Let me give you the exact date.

[pause]

12:03 Matt Britton: I don't have it anymore in front of me. I had it here earlier. Into 2021.

12:07 Michael Bennett: Okay. Thank you, sir.

12:11 Matt Britton: They're looking at a permanent fix. But that wouldn't be until they reconvene for the next session that would all be decided some time in next spring, and would go into effect, unless it was an emergency July 1st of next year. But the budget lasts of course for a year. And then, the law, I think, had the same like House Bill 29 and 30, I think, it had the exact same deadline.

12:48 Michael Bennett: Thank you.

12:52 Cathy Binder: Is that all your question? Thank you, Mr. Bennett. Thank you Mr. Britton. Do you have anything else?

12:57 Matt Britton: No, ma'am.

13:00 Cathy Binder: Thank you. We will move on to our public hearing. For the King George Service Authority FY 2020-'21 rates. All right. King George County Service Authority Board of Directors will now hold the public hearing, which has been advertised in accordance with the code of Virginia to consider the proposed FY 2020-2021 regulatory amendment to fix and revise rates, fees and other charges. I will ask Mr. Weakley to provide a brief overview. I will then open the floor for public comment. I ask to limit your comments to three minutes in order to afford everyone an opportunity to speak.

13:36 Cathy Binder: Upon completion of public comment, I will bring the matter back to the board for considerations. The board may or may not take action tonight [13:43] ____, during the public comments. If anyone would like to speak from online, please send me a message through the chat or I will pause for a minute after... I know Mr. Weakley has one to read, after that to afford anyone an opportunity to chime in. And if you do, just simply put your name and your residence address. Thank you so much. Mr. Weakley.

14:07 Jonathon Weakley: Thank you, Madam Chair, members of the board and to the general public community seeing this online. So, I'm gonna cover two things briefly. The first up is the public hearing. I'll have a budget presentation. We'll also include the FY '21 rates and then followed by an amendment for the rates as it deals with COVID-19 and local declared emergencies. So first, we have the budget presentation before you, next slide please, Mr. Dons. This budget cycle, the board from prior budget cycle had made a recommendation to go from four budget categories down to two. So, we have combined operation and maintenance into two categories. One being water, one being sewer. Before you on the screen is the total budget for water. Just a little over \$1.6 million. The total budget for FY '20 for sewer is just over \$3 million with the transfer to capital. The debt service projects and reserves, \$2,003,529. Total expenditures being \$6,738,118. I will tell you at our June 2nd meeting the only addition, there's roughly about \$85,000 that will be included.

15:40 Jonathon Weakley: There's a transfer from the county to the service authority and I believe that's based on their commitment when the industrial park had received some upgrade. So, that will be reflected and I will go over that when it comes time before adopting the budget. The increase from last year is just over \$200,000. Next slide, please.

16:07 Jonathon Weakley: So again, the increase for the water portion, we have \$230,000 from FY '20. Some key focal points for the general public, this does not encompass all expected expenditures, but just to give you the gist of some large items, the ware house repairs, filter media replacement. That's the media that's put in the filter to help filter your drinking water. And there are some water tank maintenance as well. From the sewer side, we had an increase in FY '20 of \$246,301. Some key focal points on that side, for our waste water treatment plant and in pump station, we have variety of backlog maintenance. We did have a decent size chemical increase. And priority one scheduling for our pump stations per the DEQ approved pump station PER, we are required to meet reliability class one and priority one would be the remote auto dollars.

17:11 Jonathon Weakley: We have installed three which leaves 32 remaining. We'll get at least two more installed in this budget cycle. But there'll be 30 additional to capture in FY '21. So, that is in that budget. That's one of the large increases. That item alone represents \$90,000 of expenditure. The next slide, please. So, you'll see before you the revenue summary. Main thing to capture, total revenue matches the total expenditure. We anticipate receiving \$6,738,118. Fees are broke across for consumption. You have debt fees which are fixed fees. We also have the capital reserve fee, but what you'll see too in here is the connection fee revenues that we receive. So, when a customer requests to connect to our system, whether it's water, sewer or both, those are revenues we anticipate receiving

this year. And then smaller items such as bulk water sales, we do sell to water haulers. We have a small line item in there for septic billing. So, those reflect our revenue summaries for FY '21.

18:22 Jonathon Weakley: Next slide, please. So, again, total revenues for FY '21, \$6,738,118. An increase in total revenue of \$209,234. This year is the second year of the five-year adopted rate plan that was passed last year by the board of directors. Last year was a 10% increase across the board. This year is a 4% increase across the board. And that's, again, consumption fees, debt service and capital reserve fee. Next slide, please. And I think it's key to mention those rates take effect July 1 if the board... Well, they've already adopted it, so this will take effect July 1. And customers will not see that until their September bill since we bill by month. So, there's no increase, no proposed increase, for connection fees. What you see before you are the increases in the water consumption fees moving from \$4.98 to \$5. Let me go to my slide, it's smaller on the screen. I apologize.

19:39 Jonathon Weakley: Water consumption fees go from \$4.98 to \$5.18. Wastewater consumption goes from \$11.63 to \$12.10. This is based on consumption up to 10,000 gallons. If you go above 10,000 gallons the rate for water moves from \$5.68 to \$5.91. The wastewater consumption fee changes from \$12.63 to \$13.14. And then, your water debt user fee is increased to \$37.37. The sewer debt user fee increases to \$60.99. The capital reserve fee increases from \$2.20 to \$2.29. So basically, we have the only two scenarios, a minimum bi-monthly bill customer, and that's currently based on 3,000 gallons or less usage, their bill currently is \$146.60. That would increase to \$152.46. And again, that's based on 3000 gallons. And last on the list, you'll see an average bi-monthly residential bill. Again, that's bi-monthly, that's for two months. This is based on 10,000 gallons, so that bill is currently \$262.87. The increase would move it up to \$273.38. Next slide, please. So, there are no changes for water sales, no changes for unusual wastewater fee. No change for our septic disposal fees.

21:22 Jonathon Weakley: There are no increases for account deposits. Tampering fees stay the same. Unmetered connection, so there are few of those, I think roughly about 50. Actually, we just installed a meter on one recently. But the unmetered connections paid a higher rate so that's based on the 10,000 gallons. And again, if you're a water and a sewer unmetered customer, that goes from \$262.87 to \$273.38. If you are a water only unmetered customer, and this again is based on 10,000 gallons, your rate goes from \$87.96 up to \$91.48. For sewer only unmetered customers, your rate goes from currently \$177.11 up to \$184.19.

22:20 Jonathon Weakley: For the prior suppression availability fees, those remain the same for availability and the water debt. Next slide, please. So, I included this slide as a summary of... I think this is where it hits home is what can I actually see total of an increase on my bill. What does 4% increase look like this year? So, again, if you're a minimum bill that's based on up to 3,000 gallons consumption bi-monthly, so that's two months, you're looking at a \$5.86 increase total.

22:58 Jonathon Weakley: If you're an average bi-monthly customer, again, that's based on customers up to 10,000 gallons, you're looking at a bi-monthly rate increase of \$10.51, so again, that's for two months. That's the increase. And I just wanna mention some bullet points. The rate increase is to cover water and sewer maintenance backlog and address the EQ consent order items at our facilities. So,

these are things we have to do, they're not options. I also wanted to provide the next few points there. The connection projections for FY '21 are 50 water and sewer connections, so those are full service connections. We project to water only. And we projected also zero commercial connections. We don't have anything on the horizon. We have folks sometimes contact our office but unless it's concrete and worked its way up through planning commission and board level, we don't count that in our projection. And the last, I wanna let you know, our year-to-date connections for FY '20. And this may have gone up in the last week or so, because [24:00] _____ continues to roll out homes.

24:03 Jonathon Weakley: We were at 65 water and sewer full-service connection. Three water only and three commercial connections. But the difference there, I want the public and the board to look at, is that with an unknown economy right now, what we're facing, we want to stay with the 50 connections. Most importantly, that's what the Board of Directors worked with Davenport, our financial consultants, on what we felt was the best model, so we were not over-projecting. Madam Chair, that's for the budget presentation. I'd like to move on to the rate amendment before you open it up to public hearing.

24:40 Cathy Binder: That's fine. Continue on.

24:42 Jonathon Weakley: Okay. Okay. One moment please. Okay. Before you have the King George County Service Authority rate amendment, this is not to be confused with the other amendments that were non-rate related that Mr. Britton and I covered with the board at our last meeting. So, Section 30 is what you have before you tonight. That's the general rate policy and rate schedule. Edits were made to Section 30 for the new water and sewer rates that go into effect on July 1st 2020. Again, this was part of the five-year adopted rate plan from last year. Also, provisions were added to Section 30 to allow the general manager to waive certain fees and charges during a local declared emergency and during the declared confirmed emergency known as COVID-19. For those of you who are looking online, what you have outlined before you and we... Chris if you can go to... Skip, next slide, please. Continue.

25:56 Jonathon Weakley: And okay, scroll down to the bottom, sir. Okay, so what's covered in this section, members of the board and to the public, basically what you saw, the rate increase in the budget presentation, it's just captured in the narrative form but because our rates are in our regulations, that's why it's captured here. So this would be the rate of the water consumption fee, with the increase. Next slide, please, Chris. So at the top, highlighted, you will see the waste water consumption fees, that's the increase reflected. And then you move up to Tier 2 measure consumption, that's captured in the rate increase or the rate for metered consumption above 10,000 gallons so that is for both water and waste water followed by, are the fixed flat rate debt service fees. So under item 2A, you will see the fixed rate for a water debt service, that's \$37.37. For item 2B, you will see the fixed rate for debt service for sewer is \$60.99. Again, that is flat fee for all of our customers.

27:20 Jonathon Weakley: When you see in our budget, our debt service payment that's... Those funds go towards our debt service. And then last on this page is item 3, it's just reflecting what your capital reserve fee will be for FY21 and that's \$2.29. Next slide, please. On this slide, if you'll scroll down please, sir, for item new starting there. This is the provisions that Mr. Britton was so kind to craft or edit. This will allow the provision for waiver of certain fees. Currently the regulations do not give the general

manager or nor the board the authority to waive any fees, and based on discussion last time with the board, it's my understanding that the majority of, if not all, the board desired to do this, we just needed the policy to allow for that. So for the board and for the general public watching at home, item new is waiver of certain fees, so during a declared and confirmed local emergency. This would authorize the general manager to basically waive late payment fees, charges and interest. And again, that provision was placed to such waivers shall be considered emergency.

28:38 Jonathon Weakley: Temporary fee and or charge amendments and shall effectively set the fees and charges at zero dollar for the waiver term. The waiver term shall be from the first date of the declaration of local emergency to the last day of the month in which the local emergency ends. Such waivers shall have no effect on any other obligations of any customer under these regulations. All other late fees, charges and interest accrues before such declaration of local emergency shall remain in full force and effect and shall not be waived and shall continue to accrue as set forth in this regulations.

29:18 Jonathon Weakley: Item B is waiver of certain fees and charges specifically for COVID-19 during the declared confirmed local emergency known as COVID-19. Any and all late payment fees, charges and interest anywhere authorized in these regulations including septic waste disposal are hereby waived on emergency basis and shall be considered emergency, temporary fee and or charge amendment and shall effectively set the fees and charges as zero dollars for the waiver term.

29:49 Jonathon Weakley: The waiver shall be from the first date of declaration of local emergency to the last day of the month in which the local emergency ends. Such waivers shall not... Excuse me, such waivers shall have no effect on any other obligations of any customer under these regulations.

30:06 Jonathon Weakley: All the late fees, charges and interests accrues before such declaration of local emergency shall remain in full force and effect and shall not be waived and shall continue to accrue as set forth in these regulations. So Madam Chair and members of the board, I wanna give you just a brief summary from my memo. Please note that the adopted rates for July 1st, 2020 have been advertised as well as the rate amendment suggestion. The advertisement informs our customers of the effective rate changes and provides the board of directors the ability to consider the amendment of waiving late fees during declared local emergencies and the confirmed local emergency known as COVID-19. My recommendation to the board would be to approve the changes as presented when you consider approving the budget on June 2nd, 2020. And Madam Chair, that is all I have for my presentation. Thank you.

31:02 Cathy Binder: Thank you, Mr. Weakley. I know you have a correspondence. Do you just have one correspondence to read?

31:08 Jonathon Weakley: Yes ma'am, I only have one. Would you like me to read that now?

31:13 Cathy Binder: Yes, sir, thank you.

31:15 Jonathon Weakley: Okay, and then I will also provide this to be filed with the record. I received an email from James P. Lynch of 8263 Oakwood Drive, King George, Virginia, 22485. It reads as such; Dear

Madam Chair, over the last several years, a service authority has taken significant steps to move beyond the sad state of affairs of the past, failures to meet regulatory standards, large fines, equipment and supply mismanagement all leading to a lack of confidence in our public water and waste water system. Through the efforts of this board, the ship is beginning to be righted. Transparent and aggressive management have gotten us back on track toward a properly functioning system. A major contributor was your decision to get the fiscal house in order. This necessitated a five year plan of rate increases beginning with the current fiscal year FY 19/20.

32:16 Jonathon Weakley: The board considered two choices, one was to have near-level increases over the five year period and the other was to have a larger increase the first year followed by smaller increases. In order to deal with the most pressing equipment issues, the board decided on the first option, a 10% increase in FY 20, excuse me, FY 19/20, followed by 4% increases over the next 4 years. This allowed the most critical equipment issues to be addressed quickly while still providing financial support to tackle the remaining issues on a scheduled improvement program. The plan that you set in place last year has proven to be a good one, the physical plant is being brought up to snuff and our test results on meeting regulatory requirements for discharges into our rivers. The budget on the consideration is the second year of the five-year plan, calling for a 4% increase in rates across the board. I encourage you to stick to the plan and pass the budget as advertised very sincerely, James P Lynch.

33:24 Cathy Binder: Thank you Mr. Weakley and thank you Mr. Lynch for that statement. Do we have any other people that would like... That sent correspondence to any board member or to you Mr. Weakley?

33:38 Jonathon Weakley: Madam Chair, I have no further public comment that was submitted to me

33:44 Cathy Binder: I will ask anybody that's online if they'd like to give public comment. Please state your name and your address, and I will pause for a moment to wait to see if anybody would like to give public comment.

[pause]

34:14 Cathy Binder: Seeing that we have no public comment I'll close public comment and that will conclude the public comment portion of our public hearing. Do I have any discussion from the members of the board?

34:39 Jonathon Weakley: Madam Chair, I have one item, I have one item to hand from staff. So, what I'm tracking and I mentioned to the board last time, but I wanna make sure that everyone's still fine with the approach was such as last year, you held your public hearing, the board did not take action that night they took action at the following meeting. Of course, the board reserves the right to take action at the public hearing, if they choose so. I am not advocating for that tonight. There's a resolution that Miss Ward was so kind to work on. I'm currently reviewing that and we will have that for the board at the next meeting.

35:21 Jonathon Weakley: Again, the board has the authority and the right, if they choose to vote tonight. I just wanna make it clear that, that is not my recommendation, my recommendation would be for the board of directors to adopt an appropriate year resolution on our next meeting and then that adopted document, you're gonna see I'll mention in my general manager report, we have to send that to BRA as part of our support agreement that was an annual item that we will submit. So basically it just allows us to get you the proper paperwork is why I'm recommending adoption at the next meeting and not here tonight.

36:01 Cathy Binder: Thank you, Mr. Weakley. Is everyone fine with that? Ms Cupka?

36:09 Ann Cupka: Yes, madam chair. The only question I would have is for Mr. Britton. Does that in anyway reflect our ability to carry out the rate amendment section with regard to waiving fees, late fees and charges?

36:30 Matt Britton: Yes. However, it's my understanding, Mr. Weakley and his staff had anticipated this and have been holding any of those pending action by the Service Authority Board of Directors, Mr. Weakley can confirm that. So it would have no practicable effect but its ability to change that rate to zero, which is what we're calling a waiver for late fees penalty and interest would be mandated at the June 2nd, meeting. If you adopted U and V, U being for water and V being for sewer, but Mr. Weakley can confirm that, but I think he's been withholding late fees penalty, and interest, that the board vote.

37:22 Jonathon Weakley: That is accurate, Mr. Britton.

37:25 Matt Britton: So Ms. Cupka it would have no practicable effect as a result of the anticipatory action of getting this ready, the continuity of government ordinance and what have you. The local declaration of emergency, the extension, the local declaration of emergency but you can act tonight on the rates or you can wait for June 2nd. And June 2nd, then one of the reasons Mr. Weakley is recommending that you wait until that time, you'll have three motions. One is on the budget, one is on the rates, which would be affirming the rate set in the five-year plan, plus altering U and V adding those sections, and then a third would be to amend, and adopt the new rules and regulations to the service authority, all of that three separate motions but on one board meeting.

38:19 Cathy Binder: Thank you very much. Alright, Mr. Bennett, how do you feel?

38:25 Michael Bennett: If Mr. Britton says we can wait until June 2nd or our first meeting in June and Mr. Weakley is okay with that, it's fine with me.

38:31 Cathy Binder: Okay. Mr. Parker?

38:36 Allen Parker: I'm okay with waiting.

38:36 Cathy Binder: Mr. Morris?

38:38 James Morris: June 2nd is fine.

38:42 Cathy Binder: Alright, I agree. So, Mr. Weakley, we'll hear from you on June 2nd on this, and I'll close the public hearing and move on to action items.

38:51 Jonathon Weakley: Madam Chair, we don't have action items for you tonight, nor discussion items.

38:58 Cathy Binder: Okay. We'll move on to the General Manager's report. The floor is yours, Mr. Weakley.

39:04 Jonathon Weakley: Okay. Thank you. Before you tonight I have a brief General Manager's report. First... Next slide, please. Under "General Water Information," we received our Water System Site Report. Taco, who is a manufacturer for many of our water sites they came out and evaluated a Hopyard, Oakland, Perkin's Corner and Fairview Beach water systems. This was something that actually, I believe, happened in middle to late February. We finally got the site reports back and some estimated costs of some items that need to be repaired or replaced.

39:52 Jonathon Weakley: So I'm just reporting on that here tonight. Most all of our systems need media added. So again, for those... "media" is what you put in your filters that helps with filtration for the drinking water. Some need more media bed than others, but that is something that we have to maintain. The large expense item are PLC control panels, because most systems now or have some type of automation or program design.

40:29 Jonathon Weakley: There were three locations: Hopyard, Oakland and Perkins that would need upgrades to those panel. And that upgrade would be purchasing the panel. It's a pre-fab panel with the PLC and everything in it. It would ship, we would mount it, and then Taco would come in, power up, and do the programming. Quite an expensive price tag. It is their product, so when you go around trying to look at system integrators, some of these things you're kinda locked into a certain provider. That cost is around \$31,000 per control panel. So, we will be going through and looking for the best steps forward. I'll report back to the board. We'll look at if we have any positives this year, but I anticipate trying to tackle this next year, 'cause this comes in late for this budget cycle to try to capture. Everything, it's working. Oakland Park has some communication situation, but there's nothing to... Nothing is keeping our customers without water.

41:42 Jonathon Weakley: This doesn't affect water quality. It does affect operations, such as manually backwashing versus letting the automated system do that, for example. While you can do some things manual, it is not recommended by myself nor the design engineers for that to be the continuous mode of operation. Just want to report that we're gonna have to spend some money at the well systems just as I mentioned. Next slide, please.

42:19 Michael Bennett: Madam Chair?

42:23 Cathy Binder: Sorry about that. I had my mic muted. Go ahead, Mr. Bennett.

42:27 Michael Bennett: Before we leave that slide, Mr. Weakley, I just wanna make sure I'm understanding on the water slide. Are we gonna do the media to the filters now, or is that for next budget year also?

42:37 Jonathon Weakley: It will be for FY/21. We don't have any water quality issues, but any time you're shrinking... I'm going to try to put my hand up here... The amount of media you have available, that lowers your filtration capabilities. Again, we're not failing any water quality standards, but if you ignore that you can stand a chance of not filtering your water. Whether it's... Depending on the media you have... You're filtering out iron or manganese, or something like that. We just wanna... One, we needed a report to tell us what is our conditions of our equipment, because these are closed vessels that you cannot see without taking the system offline, opening up man-ways to inspect and measure the depth. So this was something that... I'm a guy who operates off known value, so we wanted to know what was the depth of the media in our filters. And that's what this exercise did. So we will capture that in FY/21, sir.

43:52 Michael Bennett: Okay. One other question. The \$31,000 is for each one of these PLC control panels? And we're gonna need three, right? Is that what you're saying?

44:03 Jonathon Weakley: Absolutely, that is correct. The media would be something we will look to do immediately FY21. The panels, they are operating except for one system, Oakland Park. It's not fully communicating as I would like and as the engineer would like. Again, we can do some things manual. I'm gonna have to take a look at... When we sit down to talk about capital planning, is this something that maybe one or two of these we can push off to FY22. Again, we don't have anything right now that's affecting water quality. But some of this, for example our Hopyard, we have operators who have to climb ladders and do some adjustment on valves. So there are some safety concerns with that. But primarily, the system should be able to operate as designed. I'm not saying there would be operator error, but it adds to the possibility if you're moving outside of the program automation versus a manual operated facility.

45:11 Michael Bennett: Okay that's all I had Mr Weakley. Thank you Madam Chair.

45:16 Cathy Binder: Thank you Mr. Bennett. Mr. Weakley?

45:18 Jonathon Weakley: Okay, Mr. Dines next slide, thank you Sir. So, I received the draft Perkins Corner Waste Water Treatment Plan Preliminary Engineer report that's the PER. We received that from Wiley and Wilson. I did the first review of that, there was minor typos, but I did ask him to add some headings because when they evaluated three different type of treatment processes and I just told them, "Well when you get to the alternative one, alternative two and three scenarios, we need to have what that treatment option was in the heading, just for following along purposes." So, I realized not everybody currently on-board went through that process last year. So I plan on taking this as an opportunity to circulate this information as soon as I get this revised version back on Wiley and Wilson, it's still in draft form until we can have a comment from the board level, but I'll take that opportunity to discuss it a little more in detail.

46:26 Jonathon Weakley: Also dependent on the preference of the board and we have this emergency ordinance that we're talking about whether we're gonna... Is the board in particular the board of supervisors looked into that, are the public allowed. I know we're at a ten person minimum in this room. If the board desires to have at least one, no more than two of Wiley and Wilson staff to be present to present. That is in their scope of work, so they're working on that presentation now.

47:03 Jonathon Weakley: The question will become, if the board would like to have them present. And I realize that we can do it virtually as well. So I would probably air only virtual 'cause I know that means we're bringing folks in from another locality and our desire is... We don't do any unnecessary travel ourselves, so as I shared with them on the phone today, not only do we wanna protect ourselves we wanna protect our business associates. Or our folks that we're doing business with, so unless the board desires public, we will just work off a virtual presentation format, if that's okay with members of the board?

47:50 Cathy Binder: Fine with me, is everyone okay with that?

47:53 Michael Bennett: Yes.

47:55 Allen Parker: Yup.

47:57 James Morris: Yup.

47:58 Jonathon Weakley: Okay. And please after I circulate this, either before or definitely after the presentation is given to the board, I anticipate us having some meaningful conversation, maybe more than just one meeting. This plan is basically... It's my understanding is tracking based on some development. We do know that there was a public hearing postponed on some development. The service authority has a signed agreement with that developer but that is all waiting on what is decided at the public hearing level. So even if the board of directors liked what they hear or this draft PER, there still has to be a decision at the Board of Supervisors level on some development because that's the necessity of this plan. If the county desires to grow at whatever fashion, if that's residential business what have you that's their prerogative. We have to be able to offer those water and sewer services. So, again, we'll have some additional comments and time to talk about it but please don't be shy. Phone calls, emails, let's have some discussion once you have that in hand. Next slide please, Mr. Dines.

49:25 Jonathon Weakley: So lastly I wanted to report as part of our VRA, that's Virginia Resource Authority support agreement for the line of credit note, the service stories required to notify the Board of any annual deficiency amount that the authority expects revenues to be insufficient to pay the debt service obligation. I respectfully attest here tonight that the service authority have sufficient funds or sufficient revenues to pay their annual debt obligation, so we do not have any short falls, we do not have any plans or any expectations to not meet those debt obligations. So I just wanted to mention that I know it's required in that support agreement and I'm reporting to the board tonight so you have that understanding. Tracking along that line, the next required annual submittal to VRA, because that the support agreement spells out certain things, once the board adopts the FY21 budget, and I will have to provide the FY adopted budget to you now.

50:33 Jonathon Weakley: Again, these are tracking mechanisms, when we reach disagreement with, support agreement with Virginia Resource Authority, and there is parity with the county. And we said these are items that we would provide. So it's kind of a check and balance of how are you doing financially? How are you meeting your debt obligations? What funding have you committed for the following year to ensure you are sticking with your commitments? Which we are. But I just wanted to report to the board that I'm tracking those support agreement requirements, and one we just satisfied and then the other once adoption happens on the budget, I will submit that to you. Madam Chair, that's all I have for my General Manager report.

51:17 Cathy Binder: Thank you Mr. Weakley. Do I have a motion to adjourn?

51:22 Jonathon Weakley: I apologize. I do have one other thing. It wasn't in the report, but I too, want to personally thank Miss Cupka, Miss Young as well as a gentleman named Caleb, a wonderful sixth grader who also had a kind heart that provided I believe it was muffins that was in the goody bag. So I'd like to personally thank Miss Cupka. That was so well received to have an elected official come out and do that, it speaks volumes to morale and it's definitely appreciated by me and the staff so thanks again.

52:01 Cathy Binder: Mr Weakley do I have a motion for adjournment?

52:08 Michael Bennett: Madam Chair before I do that, I'd just like to say one thing real quickly Dr. Young and Mr. Dimes the sound tonight from the boardroom was great. It's improved every meeting since we've been doing this, but tonight it was really good. Everybody came through really loudly and clearly. So I wanna thank you for that very much. It's really working well. And with that said, I will move that we adjourn to June 2nd 2020 at 5:30 PM in the boardroom.

52:38 Cathy Binder: Do I have a second.

52:39 Allen Parker: Seconded.

52:43 Cathy Binder: Any discussion? All those in favor?

52:47 All: Aye.

52:50 Cathy Binder: Chair votes aye. I have a script to read, this meeting is hereby adjourned to the next regularly scheduled meeting on June 2nd 2020 at 5:30 PM. That meeting may be held by electronic means and remote participation only, and may be closed to the public being physically present. All citizens are encouraged to participate in advance or during the meeting by electronic means as provided by the county. I will now adjourn this meeting of the King George Service Authority board of directors and the board of supervisor meeting will start in 10 minutes, so that's at 6:34 the Board of Supervisors will start. Thank you.