

## County Business

### VIRGINIA:

At a regular meeting of the King George County Service Authority Board of Directors, held on Monday, the 1<sup>st</sup> day of September, 2020 at 5:30 p.m. in the Auditorium of King George High School at 10100 Foxes Way, King George, Virginia:

**PRESENT:**

- Cathy Binder, Chairman
- Annie Cupka, Vice-Chairman
- Michael Bennett, Member
- James Morris, Member
- Allen R. Parker, Jr., Member
- Neiman C. Young, County Administrator
- Jonathon Weakley, General Manager
- Matt Britton, County Attorney

**0:00:00 Ms. Binder:** All right, I call to order of this regular meeting of the King George County Service authority board of directors, and all of us are here today. Our invocation is by Ms. Cupka and our pledge of allegiance is always by Mr. Weakley. Please stand.

**0:00:20 Ms. Cupka:** Heavenly Father, watch over all of us and please guide us [0:00:28] \_\_\_\_\_  
Amen.

**0:00:36 Mr. Weakley:** Please face the flag. I pledge allegiance to the flag of the United States of America and to the republic for which it stands, one nation under God, indivisible with liberty and justice for all.

**0:00:56 Ms. Binder:** Mr. Weakley, is there any amendments to the agenda?

**0:01:00 Mr. Weakley:** No amendments, Madam Chair.

**0:01:01 Ms. Binder:** Thank you. Next up is public comment. 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 in the audience who would like to speak at this time? Is there anybody online, Mr. Dines, that would like to comment?

**0:01:24 Mr. Dines:** No, Madam Chair.

**0:01:25 Ms. Binder:** Thank you. Is there any correspondence? Okay, thank you all. Close public

comment now and I will go to reports for members of the board. Mr. Parker?

**0:01:39 Mr. Parker:** No report, ma'am.

**0:01:40 Ms. Binder:** Thank you. Ms. Cupka?

**0:01:42 Ms. Cupka:** I don't have a formal written report, I just wanna thank Mr. Weakley, it's my understanding from some of the social media traffic I've seen that he has had to answer questions of a customer earlier in the week or last week, so I very much appreciate your time in clarifying his issues. Thank you very much.

**0:02:03 Ms. Binder:** Thank you. Mr. Bennett?

**0:02:07 Mr. Bennett:** Thank you Madam Chair. On Friday, I received an email from Sharon Krock, the Project Manager for Schnabel Engineering, the county's engineering firm for the FEMA grant for the Fairview Beach Riverbank Stabilization Project. Ms. Krock has been working with FEMA to finalize the environmental assessment and as I've reported multiple times, that's been going on for nearly forever. As I previously reported, the 30-day public comment period expired approximately August 10th with no public comments. However, FEMA now wants to make sure that there is no other planned construction or infrastructure improvements plan that could impact the area in question. I spoke to Ms. Krock yesterday and advised her that neither the county nor the Service Authority had any planned construction that would impact the project that I was aware of and they were specifically concerned about the road and our sewage lines, which are between the road and the river. I did point out that we are well aware of the sewage lines being in a somewhat dangerous position when construction occurs, but Mr. Weakley is well-aware of that and we have some contingency plans and we will talk to the contractor to make sure that they take due care of those lines when they do the construction.

In the interest of full disclosure, I did tell her about the pump station just to the west of the planned project. My recollection, and I haven't talked to Mr. Weakley about this, is that we're gonna have to raise that pump station because it's in the flood plain. But then, it won't significantly change the footprint of the existing pump station to any significant degree. Is that correct, Mr. Weakley?

**0:03:46 Mr. Weakley:** So in the draft, so that item is correct and in the pump station report, they talked about some additional options, maybe they may add an additional manhole. It'll be still within that footprint. I spoke to Mr. Worley about this matter. I know he corresponds with FEMA and other folks as well. The pump station work itself would be basically in priority three status, so you're gonna be at least two years out, if not three to four years out from completing that work, so, that may be beneficial timing of construction for that to start. Hopefully, the shoreline restoration project will be complete by then. But that would be the pump station at Tim's and then, there shouldn't be any impact, but down on 6th Street, there are residents there, there's a pump station that's there. It was named The Old Slick Seafoods and it serves about four homes, but that project is a little further away. It's more in the residential area, but those are the two closest potential projects, but those are between two to four years out from now.

**0:04:58 Mr. Bennett:** Okay, then I don't think I need to amend what I told her based on what you just told me. In addition to my role on Service Authority Board, I did provide her some information as president of the Fairview Beach Residents Association, because the residents association is planning to... Has a plan to restore the beaches that are likely to be lost as a result of the river bank stabilization plan. So I sent her the plans and the permits for that project, which will not, in my opinion, harm the riverbank stabilization plan, but I think it will further stabilize it. It's basically breakwaters and sand that will be in front of the stones that stabilize the bank that stabilize the Service Authority sewage lines and the road. Last week, I received two complaints about billing issues related to the Service Authority. One was from Mrs. Gloria Bennett. She advised me that she receives an email from Munibilling 10 days before they withdraw funds from our account to pay the Service Authority bill. However, that email that they sent her does not provide the amount of the bill. She then receives a second email from Munibilling 10 days later saying they withdrew funds from our account and that the next withdrawal will occur approximately two months in the future.

The second email also does not mention the amount of the bill. Mrs. Bennett said she thought that the amount of the bill can be determined online, but she couldn't understand why Munibilling, which has that information when they sent both emails, wouldn't provide it to the customers. I provided copies of those emails to Mr. Weakley because he's not a customer and has probably never seen them. And for those of you who are not customers, I have copies, if you want to see them. Later that day, I received a second complaint from one of my neighbors when I was biking through the neighborhood. She flagged me down to complain about the 60 cent charge. We've all heard about that a lot. Her point was that if she paid by check, Munibilling would have to send a bill through the mail to her and pay 55 cents for a stamp and then, they'd have to pay somebody to process the check and deposit it. And she couldn't understand why she had to pay 60 cents for essentially saving them money.

Obviously, the 60 cent charge has been a public relations black eye for the Service Authority. Mr. Weakley has followed up on these two complaints and he will provide additional information, Madam Chair, whatever you... At whatever point you wanna receive it. I'm not suggesting we should necessarily do anything about the 60 cents. And it's amazing how many people are complaining about 60 cents. It's 30 cents a month, basically, but I guess it's the principal of the thing. And I guess, Mrs. Bennet pays all the bills electronically and she does say that Munibilling is different than everybody else for what it's worth in terms of the way they charge and the lack of information they provide. So, that's it from here Madam Chair, thank you.

**0:07:52 Ms. Binder:** Thank you, Mr. Bennett. Mr. Morris?

**0:07:55 Mr. Morris:** Yes, ma'am. I received an email from Supervisor Stonehill on Thursday referencing new county resident customer. Like Mr. Bennett, she had complaints about her bill and the rates. I called her Friday, spent quite a while on the phone with her, explained to the best I could, why things are the way they are and where we plan to be in the next few years. I don't know if I alleviated her concerns, but I did give her all the information I had available.

**0:08:31 Ms. Binder:** Thank you, Mr. Morris. I know Mr. Weakley will discuss it later in his report. I have heard also from a couple of residents about the 60 cent charge and I've tried to

explain it to the best of my ability. But people are quite upset about that, paying anything to pay a bill. But I do know other... When you go and make an event, so like if you enter a race, there's a charge if you use a credit card or a method of payment, so I don't know... Maybe some companies don't do it, some people do, but that might be something we need to investigate, 'cause we have a lot of upset customers concerning that. Mr. Bennett?

**0:09:09 Mr. Bennett:** Like I said, it's a principle of the thing with our customers. They're paying high water bills as it is. And we'll get to this at some other point, not tonight, but I will just mention real quickly. I have talked to Mr. Weakley just generically about Munibilling and when you can't walk through the neighborhood without getting complaints, it does get your attention.

**0:09:34 Ms. Binder:** Yeah.

**0:09:35 Mr. Bennett:** And I hate stopping when I'm in the middle of a bike ride, but that's just me. But having said all that, Munibilling costs us a fair amount of money and I think we ought to revisit that after a year or so and just see if there might be another way to do it. I know we had to make a change in billing and I'm sure we're gonna talk about delinquent accounts later and I'll save my thoughts on that until then. But I don't know if we could do it for less in-house. I think we're paying Munibilling 164,000, right, Mr. Weakley? So, I don't know if we can hire X number of employees for less than that to do it and then, we could do it exactly the way we want. Maybe it wouldn't be financially feasible or not, but I think at some point, we ought to at least discuss that because some of the things we're getting from Munibilling, they seem to be saying, "This is the way we do it and that's all there is to it. We're not gonna change." And they're entitled to do that, but if it doesn't necessarily meet our needs, we ought to take another look. Thank you ma'am.

**0:10:36 Ms. Binder:** Thank you. And I have no further report. Thank you. Next up, can I have a motion on the consent agenda?

**0:10:45 Mr. Bennett:** Move to reprove the consent agenda.

**0:10:47 Ms. Binder:** Do I have a second?

**0:10:47 Mr. Parker:** Second.

**0:10:50 Ms. Binder:** Any discussion? All those in favor?

**0:10:51 All:** Aye.

**0:10:53 Ms. Binder:** Any nays? Chair votes aye, motion carries. Report from the county attorney, Mr. Britton?

**0:11:00 Mr. Britton:** Yes, I don't... I know nothing shows on there, but Mr. Weakley reminded me today, or have you heard anything on the WIP III? Because that got... The lawsuit got dismissed and they were gonna go to the committee and get us to the table, so I did reach out to Pomroy today to see, "Hey," I think it's by December 1st or December certainly. "When is the

meeting? Where is the table we get to sit at?" So hopefully, he'll get back to us about that. But we don't have any updates on it.

**0:11:35 Ms. Binder:** Thank you, Mr. Britton. Mr. Weakley, do we have any presentations and reports?

**0:11:41 Mr. Weakley:** No, Madam Chair.

**0:11:42 Ms. Binder:** All right, next up, action item. Oakland Park WWTP. Blower good services agreement, Lavita Cobb, procurement manager.

**0:11:53 Lavita Cobb:** Good evening, Madam Chair, members of the board, Lavita Cobb on behalf of finance. So, I'm here this evening to request to execute a goods and services agreement for the purchase of two blower packages for the Oakland Park wastewater treatment plant. So, the Service Authority, they have two non-operational blowers at the Oakland Park plant. The blowers are a very critical component for the wastewater treatment plant process, so the newer blowers will provide effective aeration in the treatment process and will be more energy efficient. So, we put out a IFB and on August 11th, 2020, bids were received. And we publicly opened them via GoToMeeting for the blower project. The low bid was submitted by Kaesar Compressors in the amount of \$78,000. The funding source for this procurement will be as follows, \$70,000 from the sewer capital outlay and then, \$8000 from sewer repair and maintenance supplies.

The authority staff along with the county staff, we worked alongside Wiley Wilson and based on the blower specifications put together by Wiley Wilson, we have determined that Kaesar is a qualified, responsible and responsive contractor. So today, I recommend that the board of directors authorize the general manager to issue a notice of award to Kaesar Compressors in the amount of \$78,000 and authorize the general manager to execute a goods and services agreement subject to approval by the county attorney.

**0:13:25 Ms. Binder:** Thank you. Do we have any questions for Ms. Cobb or Mr. Britton on this? No, no questions. Mr. Bennett... Hold on. I lost my track of thought there. So, we need to have a motion, correct, on this? I will say...

**0:13:43 Mr. Britton:** Yes.

**0:13:43 Ms. Binder:** Do I have a motion?

**0:13:44 Mr. Britton:** Yes.

**0:13:48 Ms. Binder:** Do I have a motion?

**0:13:53 Ms. Cupka:** I move to authorize the general manager to issue a notice of award to Kaesar Compressors in the amount of \$78,000 funding source as specified, \$70,000 from sewer capital outlay for replacement of machine equipment and \$8000 from sewer repair and maintenance supplies, and authorize the general manager to execute a good/services agreement

subject to approval by the County Attorney.

**0:14:23 Ms. Binder:** Do I have a second?

**0:14:24 Mr. Bennett:** Second.

**0:14:25 Ms. Binder:** Any further discussion? All those in favor say, aye.

**0:14:29 All:** Aye.

**0:14:30 Ms. Binder:** Any nays? Chair votes aye. Motion carries. Thank you very much for your work.

**0:14:34 Lavita Cobb:** Thank you.

**0:14:36 Ms. Binder:** Next up. Mr. Weakley, delinquent accounts discussion.

**0:14:40 Mr. Weakley:** Thank you, Madam Chair. Thank you members of the board for that vote just taken as well. We need that upgrade at the treatment facility. So, delinquent accounts, recently, thanks to the Board of Supervisors and the Board of Directors also gave feedback on collection services, the Board of Supervisors approved at their last meeting an ordinance that would allow this avenue for a collection service. The Service Authority has delinquent account language in their regulations. However, the Service Authority hasn't been, maybe aggressive isn't the appropriate term, but hasn't been active and collecting on delinquent accounts. And part of the switch... I know there was a lot mentioned tonight about Munibilling, but part of the switching over billing, there's a new feature that I received. It's called an Agent Report and the Agent Report or the accounts that were mentioned prior, there were several hundred of those, came from that Agent Report. That number has come down, but we realize there has to be better efforts in collecting monies that are due. Obviously, COVID has put us in a different position because we're not turning folks off right now during this emergency, but it does come at a price.

So, from the original Agent Report, there were 550 accounts that were met criteria and basically criteria, although our regs say not to put a lien on property for \$25 or less. The criteria chosen were accounts greater than 25 and within 60-90 days. So, that's where that 550 delinquent accounts came from. That represents inactive and active accounts. That Agent Report at that time was from May 31st. I pulled a report today, and I didn't pass this out because these accounts have names and so, for once, I didn't feel it would be appropriate. But I can tell you I ran the account report today and I think it's worth noting that... I'll give you the picture here. The number now is down to 461 accounts, still a high number. That's representative of both inactive and active accounts, so inactive folks are no longer being served by the Service Authority, but they do have past due balance. Active speaks for itself. They're an active customer. So, the breakdown is of the 461 past due accounts, 238 are active past due accounts, 223 are inactive accounts. The amounts, active past due total for \$143,547.85, inactive, \$67,704.13.

**0:18:02 Mr. Bennett:** Mr. Weakley, would you do me a favor? What was the amount again on the active accounts?

**0:18:06 Mr. Weakley:** The active accounts is, and I will email you all tomorrow with the summary as well, but the amount is \$143,547.85.

**0:18:18 Mr. Bennett:** Thank you.

**0:18:20 Mr. Weakley:** You're welcome, sir. I want to give you a little further insight, and I won't mention names. But there's two accounts... And some accounts have multiple units under one owner, if you will. There's two accounts and we reached out to both parties. That account for about \$75,000. These are active accounts. That represents 52% of that total delinquent amount that I just gave Mr. Bennett. So if you take that out... Now, it does exist, but if you subtract that away, that would bring our delinquent accounts, our active delinquent accounts down to a total of \$68,547.85. Those are a lot of numbers. They're all big numbers, but I think by identifying a problem, being aware of it, it seems like we are going the other way. We have a reduction from when we first reported the number of accounts. It's not where we need to be, but I believe we can get there. So, that's the update I have on delinquent accounts.

Far as active and inactive, I do wanna report that after that approval for collection services, I set up a conference call with TACS, that's TACS, that's Mr. Sharp's group, and Munibilling and myself and the Department of Finance to see what was needed. The service being provided to the county, being that the County Works with the AS400, the Bright financial software system, there's not really a lot that's needed because TACS has that direct access, so it's really a hands-off.

We use AS400 at the end of the process, meaning that now, our billing is handled through Munibilling, so there has to be files that are created or reports generated for TACS to use and ultimately, that account information would be then posted in the AS400 because it's an account balancing, if you will, through technically moreso through Mr. Jones' office, the treasurer, then the finance department. We believe it can occur. It's a little more work involved. In speaking with Munibilling, they believe they have... Will have a scope of work provided to me this week to review and I'll pass that along to Mr. Britton as well as a procurement, but basically, TACS will have some follow-up questions. I haven't spoken with either Gary or Mr. Sharff from TACS. I will tomorrow.

It's my understanding through Munibilling, TACS will have some questions so they know what are the thresholds? What does the board desire? And I'll give you one question now. What is the minimum amount on an account we wanna turn over as far as delinquent? Is that \$50 past due? Is that \$100 past due? So, once we have those questions from TACS, I will pose that into an email to you so there's time to kick that around before a meeting. I'll give you some thoughts and recommendations before a meeting. And then, hopefully, by this time, the next meeting, we'll have a little further understanding of what that service will take to get up and running. I'm not saying there's gonna be extra cost. I'm not saying that there won't be extra cost. It's just outside of original scope of work that we had for Munibilling. Delinquent accounts wasn't really part of that, so, we'll see. I'll have an update at a future meeting, most likely the next meeting, but I just wanted to make you aware of where we're at with the delinquent account collection. So, had the kick-off meeting, we believe that went well. There will be a follow-up with TACS and

Munibilling.

**0:22:27 Ms. Binder:** Ms. Cupka, you have a question?

**0:22:27 Ms. Cupka:** Thank you, Madam Chair. Mr. Weakley that \$75,000... That want... You said that that actually accounts for...

**0:22:36 Mr. Weakley:** Two accounts.

**0:22:38 Ms. Cupka:** Two? Can I assume, or maybe this is asking too much, are those commercial accounts? They're not residential. I hope not.

**0:22:50 Mr. Weakley:** One is.

**0:22:50 Ms. Cupka:** Business?

**0:22:52 Mr. Weakley:** It represents two track of lands, one customer.

**0:22:55 Ms. Cupka:** Okay.

**0:22:56 Mr. Weakley:** And I believe that can be brought up. We have reached out to the individual and I believe that should be resolved very soon.

**0:23:03 Ms. Cupka:** Okay.

**0:23:03 Mr. Weakley:** The other one is a commercial and there's multiple accounts within that one customer. We hope to have that settled soon. I have made contact... We're trying... We can't do more than, "Hey," encourage, so, "This is what is owed. We're headed towards a collection service. Now that's been approved. Please let's come together and work on a payment plan." We don't wanna be the bad guys, but we gotta collect revenue, so that's two accounts.

**0:23:36 Ms. Cupka:** Okay, thanks very much.

**0:23:38 Mr. Weakley:** Yes, ma'am.

**0:23:38 Ms. Binder:** Mr. Bennett.

**0:23:42 Mr. Bennett:** Ms. Cupka, I had the same questions. I have to admit, when I heard the first presentation on delinquent accounts, I was very surprised to hear how many. 550 accounts is probably 12% of our customers. That's unbelievable and the amount of money wasn't unbelievable. But I ran a couple of numbers while I was listening to Mr. Weakley talk, here, so let me just share them with you. The two accounts that owe \$75,000, I believe they are both viable entities that are gonna pay that money, which leaves \$68547 left. And that's spread among 236 active accounts. So, if you do the math, that's less than \$300 per account on average. Now, I don't know how many are above and how many are below, but it's not an insurmountable number for the average customer. What we don't seem to know from what I can tell, and Mr. Weakley,

you tell me if I get any of this wrong, is from what I gather, you've never had a delinquent account report previously on your time as general manager, correct?

**0:24:50 Mr. Weakley:** That's correct.

**0:24:52 Mr. Bennett:** So, we really don't know if this is typical or if this is something that's worse because of COVID and people are out of work and can't afford to pay the bills. But I have no doubt that Mr. Weakley is all over this and he's gotten a lot more information since the subject first came up. But if I may, Madam Chair, it made me think of some other concerns I have related to billing and revenue generally. I just wanna throw those out there. You and I being the old-timers, if I can say that without insulting you, it seems like a long time ago since we raised rates. That was last year, right? But we raised rates 10%. That's a big increase. Do we know if we receive 10% more in revenue that year? We know that we're not gonna do that because we're on a bi-monthly billing schedule, so when the rates take effect, it's gonna be a couple of months before the billing cycle hits. So, you're probably only gonna get 10 months out of 12 at the new rate anyway, so, that's one thing we have to keep in mind. But it seems to me that as a board we don't get enough financial information about revenue and things like that. I would really like to know what was the increase in revenue from the 10% increase over the year before?

If it's not 10%, okay, but if it's not close to that, then we took a huge public relations hit raising the rates 10% and we didn't get the revenue bang that we should have gotten for that, right? So we ought to have a better idea about that. And then, the same thing happens for each of the next four years under our rate increase plan. We're raising it 4%, 4%, 4%, but are we getting 4% more in revenue? Now, I'm not an expert in this area at all, but I have been told there's something called rate elasticity. And what that means is, and I may be butchering this, but I'm gonna try anyway. What I understand that means is when you do raise your rates, what happens to public utilities is customers sometimes conserve usage.

So, you're not selling the same amount of water, electricity, whatever it may be, as you were with the lower rate. So, in other words, you're gonna make less money even though the rates have gone up. And there's a certain... That's human nature and that there's a certain common sense element to that. But I just don't think as a board, we get enough information in terms of revenue and I think even when we do the budget, which we do after the first of the year, it's never really clear to me, 'cause we do that in the middle of the fiscal year, it's never clear to me what happened at the end of the fiscal year. So, in other words, we go through all this budget stuff about expenses and revenues and we try to make ends meet and we try to do everything we can, but I never get a final report what happened for FY, whatever, because by the time that fiscal year ended, June 30th, 2020, we don't have that information as far as I can tell into the fall when the auditors come in and start digging all that stuff out.

So, maybe there's gonna be... Maybe we're gonna be a little bit behind the curve, if you will. But I think as a board, we ought to be getting more reports on budget and revenue throughout the year. I'm only one guy and if the other four of you think I'm crazy, then I'll lose four to one on that idea and I'm not making a motion, but I'm just saying, it seems to me we've tried to get a handle on discharge and I think we get good information on that, and you're knocking it out of the park on that. Excellent. I think we've got a good handle on repairs and maintenance and what

we need, but I don't think we have a good handle on revenue, so I'll stop talking now and see what you guys think.

**0:28:48 Mr. Parker:** I would definitely like to see more numbers. I think some of it, you can get through proxy. If you were to look at year-over-year water consumption, right, we should be able to... I've seen reports from Mr. Weakley, where we get the water... Basically how much water we pumped out. If the water volume stays the same and the rates went up 10%, you should get 10% more revenue. If the water volume drops off, you can basically back-calculate the amount of revenue you get from the water volume drop off, 'cause obviously we're charging sewer on the same amount... On the water volume that comes in and the same that goes out. So by proxy, you can do that, and I think we can get those numbers quicker, probably than the actual financial data, but that's just an estimate.

**0:29:45 Ms. Binder:** And is it everybody else's thoughts?

**0:29:49 Ms. Cupka:** No, I would... As one of the newer board members, I would certainly appreciate more information, so I don't have a problem with that.

**0:29:56 Ms. Binder:** Mr. Morris?

**0:29:58 Mr. Morris:** I concur that more information is better, and I think with these new systems, the billing and the delinquent, we should be able to get these numbers and then, we can make better decisions.

**0:30:15 Ms. Binder:** I think maybe a quarterly report might be a good... Just send it to the board and I understand Munibilling also allows us to be able to do this now. So, would you be able to, I know you can, financial Report?

**0:30:30 Mr. Weakley:** Yes, Madam Chair and I appreciate those comments. Mr. Bennett and I had some discussion a little bit earlier. So, a couple of things, one it's whichever, if you want it quarterly or monthly, there are a couple of months during the year in closeout that holds up the books. But outside of those months, having an expenditure and revenue summary report, that's not an extra report. Now, if it's in a different format, we can do that, but I can share one of those with you this week, so you can say, "Hey, that format looks fine or doesn't." It's basically GEO-code. So, if you go back to your budget documents, whether it's 82-800, the department function and then, line item 33-10, it's gonna give you the budget, the appropriated amount and then, what's been expended in percentage remaining and that'll go through each department. Now, we got it down to two, so I'll kick that around, see if you like that format. I do know that we're working on some posting of the billing, so there's a file that comes over that we have to reconcile. Munibilling said, "This is the money we collect."

We have to reconcile that, so I'll check in on that this week, just so we have that updated, but that shouldn't be a problem. End of the year, I can curtail and maybe just take down to one page what's in the financial audit, 'cause I know they give you a lot of... It's good information, but it's the information you go through at your own pace and what part of it do you like. But that's a good snapshot in there of any gains or losses as far as whether it's cash on hand or if you didn't

meet revenue projections. But I can condense that down at the end of the year. I think that was given at one of our workshops. I think it was the one held over at the sheriff's department, if I remember correctly. But that's an end of the year report, but I can be happy to condense that down and just give some highlights. To speak to percentages, we have revenue, basically two revenue streams, there's the new connections each year, so we can look at what we projected and then, did we meet that benchmark or not? And then, there's the revenue collection that comes from the billable services, so the water or sewer.

Engage that, so we can look at revenue at whole, but I think it will be a key, and I'm looking for feedback on this, to break that down in those two segments. You want your billable services to pay for your operations and which would also include your debt service. To some of that consideration that the board took up and ultimately approved the five-year rate plan, was making sure that we didn't need necessarily the connection revenues to help pay for additional things, operational cost plus debt service. But I think it's important to show those two segments. That's up to the board, but those are our two revenue source. But in summary, not a problem. I hear the board need more financial information. If quarterly 's the approach, we'll do it quarterly. Again, we usually get a revenue and expenditure summary on a monthly basis. It comes out between the 10 and the 15th of the month. We're in that couple month period right now where they're closing out, so I haven't received that, but I'll send that format around so they can more look at it. I'll stick with the quarterly report and if you want it monthly, again, that's not reinventing the wheel, we'll give it to you at whatever frequency that you like. But I hear your concerns and we will get that information to you.

**0:34:19 Ms. Binder:** Thank you, Mr. Weakley. I have one other question though, concerning the delinquent accounts. I was on a conference call with VACO and they were talking about how the governor was considering extending the timeline for delinquent accounts because of COVID, so up to 48 months and making a payment plan. Are any of those delinquent accounts, or do you take that into consideration? Where are they in that time frame?

**0:34:41 Mr. Weakley:** So yes, it depends on what comes out of that bill. So, thank you for bringing it up. I had an earlier conversation with Mr. Britton and I was gonna put it on the agenda for next meeting. Senate bill, and this is in the Virginia State Assembly, obviously, but Senate Bill 5118 is refers to that emergency repayment plan. It is now currently sitting in the Finance Committee. I think it's finance and some other title committee within a general assembly. I've spoke to one state senator that I know, it has not been taken up and reviewed at this point. They were looking at one point in time, 24 months allowed up to the repay, and I believe Mr. Britton, that has now been revised down to 12 as the proposed.

**0:35:34 Mr. Britton:** The last public text that was sent in committee read 12. The bill summary read 24, but we've hardly parsed out every word and we haven't talked to anyone down there, but all this is still, I believe in committee. And I think it's worth noting that this is bills incurred during the declaration of an emergency, so presumably, it wouldn't go on and on and on and on, and then... So whatever portion of bills during the emergency would be divided up and presumably added to the subsequent bill. But that they're hammering that out and it can be no more than like \$45 a month or per bill.

**0:36:16 Mr. Weakley:** So the plan was to have a little more discussion level at staff level, bring this back to the agenda, but now that we're on the topic, I'll send out what we know as of yet. What I would like at the next board meeting is put this on as a discussion item. I'll certainly have some recommendations, but the thought was to see, let the board kick it around, discuss it, if this is something that you have specific concerns or comments and you like to voice... I know in the past, we've sent a letter out to a particular body, whether it's the general assembly or the governor's office or whoever. We could capture those and do that. I'm not suggesting that here tonight. I'm just thinking that, one, to make you aware of the full context of this. But yes, those accounts that happened in that time period, as Mr. Britton just alluded to, would have to be considered. The timeframe will be up to the general assembly if they consider and pass whatever they put in that language. But I can tell you, at \$45.50, it's gonna make it very difficult for folks to get ahead and for us to collect.

So, it's still in committee. I think it's a perfect time to get it out to the board. Let's have a discussion and if there are some comments or concerns you like drafted and inked and sent off to Richmond, we'd be happy to do that as well. But the plan is, before the next meeting, Mr. Britton and I will have some further conversation and then, I'll come back to you all most likely in an email before the board meeting, "Hey, this is the text. This is some thoughts or concerns I have as we approach the next meeting," and then, have it as a discussion item.

**0:38:05 Ms. Binder:** Mr. Britton?

**0:38:05 Mr. Britton:** Madam Chair, it already... It also has a moratorium provision, so you all have already addressed that by the changes to your regulation, so I suppose the only effect... And Mr. Weakley's right, we're very preliminary. But I suppose the only effect would be if you had a local declaration for a long period of time, let's say, because of a global pandemic, if you had a year declaration, you can't shut off the water. The person doesn't pay... I don't know what the bill is, I'm making it up, 100, \$200 a month, that's \$2400. I think the general assembly doesn't want them to get hit with a \$2600 bill this month or now, we can shut you off 'cause the emergency's over.

But at \$50 a month, that's the question about whether any service authority or public utility can sustain that damage depending on how many customers. So, I think that is the thing that either maybe Senator Stewart or Doug or Ranson or the committee itself would wanna hear, where are... That's what they don't know. Where are you as... Of those localities that have utilities and service authorities, what is your situation? Could they shut you down type of a thing? And so, I think of those required numbers and you pull that out and you say, "During this pandemic over these months, how many people have actually stopped paying? How many people have filed for hardships? How many people have we..." And those are the good numbers 'cause that's how they work on. And typically, when they're in committee, they like to see, not opinion, but numbers and that might be some useful information as we gather it from Munibilling.

**0:39:46 Ms. Binder:** Two questions concerning that, is it... Do we need to send the letter before our next board date or is... How time sensitive is this bill?

**0:39:55 Mr. Britton:** I think it's in... It's still in committee, I think we have time...

**0:39:57 Mr. Weakley:** The latest committee referred to in the finance committee. It hasn't taken up yet. I spoke to a senator I know and it's... He wrote down the number and he said, "What's that bill again, Jonathan?" And I told him. He said, "Well, we haven't even discussed it yet." I said, "Okay, this is something that's very concerning for us to make sure we... " \$45.50 a month, how do you get ahead? And it's being fair to both. I don't wanna seem like there's no hard here, but you'll never get ahead at that rate. So, to answer your question, you have some time, we're not looking for a letter or anything tonight. I think you have to have the information and...

**0:40:35 Ms. Binder:** Yeah, I think we have to have the data before. My other concern is they also mentioned is that they knew that this was a hardship on localities that don't have... Like, Dominion Energy, they have a board that they can give them money and people, but a smaller utility doesn't have all that cash flow that could absorb that big hit of people not paying their accounts or taking a longer time. So, that would be definitely... I want it addressed in the letter that we just can't afford to do that.

**0:41:02 Mr. Weakley:** I agree. So, we'll bring that back at the next board meeting for a discussion item and then, if there is a desire for a letter, we'll craft the notes that you give us at night, form a draft, give that around to the board to review and then, ultimately approve. I will say two things, tracking one, I did look and see, and I know there's already been meetings on CARES Act funding, generally the utilities that's had that applied, the utility is owned by the locality. We're not... We don't fit that model, so, that's why I've stayed away from that. Secondly, I think it goes back to Mr. Bennett's comment and knowing our finances, I am looking at that because we'll have to make adjustments and slow down on spending to offset that. So, we end up at the end of the year in a positive breakeven or positive light, then just haven't had it with the expenditures and not keeping in mind the impact that this could have. So, preliminary for discussion today, bring it back for further discussion to a form any comments or anything driven around a letter and then, action could be taken by the board and we issue that letter.

**0:42:18 Ms. Binder:** Okay, all right, we'll expect to see it. Go ahead Mr. Bennet.

**0:42:23 Mr. Bennett:** Mr. Weakley, going back to the budget just for a second and if you don't know the answer to this, I apologize, but if you don't, could you get it for us by our next meeting? Do we have anything built into the budget for delinquent accounts or for non-payment of fees or anything like that? In other words, are we building into the budget a cushion? I'm sure everybody in business has to figure some folks aren't gonna pay 'cause they don't. That's why we have collection firms. But for us, given that our budget is so tight and we try to breakeven and we try not to overburden our customers anymore than we absolutely have to, but if we're not gonna get 100% revenue and nobody does, my question is is that I've built into the budget and any meaningful way.

**0:43:06 Mr. Weakley:** We don't have a line item per se that handle the delinquent accounts. There's two approaches to that. When we go in and look at revenue collections, we back it out. I think this year was around either 97% or 95% collections, 'cause you never can expect 100%. I don't know. I know of some commissioners or treasurers that get 91%, maybe 94%, but you never hit 100%. I'll check that number and give it to you whether it's 95% or 97% expected

collection. The other way...

**0:43:38 Mr. Bennett:** So, hold on, let me make sure I'm understanding. Excuse me, sir.

**0:43:42 Mr. Weakley:** Yes, sir.

**0:43:43 Mr. Bennett:** So, what you're saying is we've already got built in that we're not gonna get 2% to 3% 'cause we're taking the full amount and then reducing it down to that 97 or so percent, right? That's what you're saying.

**0:43:53 Mr. Weakley:** Yes, sir.

**0:43:54 Mr. Bennett:** So, we're building in at 2% to 3% uncollectible revenue cushion?

**0:44:00 Mr. Weakley:** Yes, sir 'cause you never realize 100%. The only other fallback would be your contingency if you had to make up monies, but you really wouldn't necessarily move that for revenues. You would help cover expenditures or something that you need to cover. So you do have a little cushion there, and that takes board approval. There's not a dime that moves out of that contingency fund without board approval. But primarily, we use that 95% or 97% to just assume that you naturally do not collect 100% in revenue.

**0:44:37 Mr. Bennett:** The other thing, Madam Chair, this is going back a couple of meetings, too, but here's another number that's stuck in my head that Mr. Weakley brought to our attention. Don't you love having me here? [chuckle] If I remember correctly, we had 35 more connection fees last year than we actually budgeted for, right? We had 85 instead of 50, is that right?

**0:45:02 Mr. Weakley:** Yes, sir.

**0:45:02 Mr. Bennett:** Okay, so, that means roughly, I'm over-estimating slightly, but each connection fee, assuming it's water and and sewerage are just under \$20,000. I think it's \$19,800 and something, but that's almost \$700,000 in revenue more than we had budgeted for, which is great, but it's connection fees. It's not necessarily gonna happen every year and some day, it may be zero. And I don't think we as a board or we as an organization have ever really decided that that money should be capital improvement rather than operating expenses because we've always been so tight in terms of just being able to pay the bills and not run a deficit every year. So, Mr. Weakley, if you don't mind and I know it's not your job to do every crazy report that jumps into my head, and I am sympathetic that we don't wanna just make you write reports all day. You actually have to run the authority.

But at some point, maybe the next budget cycle is soon enough, but we really ought to have some sort of a recommendation for connection fees above what's in the budget, what we're gonna do with that and whether it should be in capital improvement funds rather than general revenue, don't you think?

**0:46:23 Mr. Weakley:** I would agree with that, sir. We took a step, I wouldn't say fully identifying for capital, we took the first step, this budget cycle of building up reserves, so you

actually have a line item. It's a little over \$500,000. I think 535K that will... That's line item, that goes right into our cash on hand which is our reserves. The only item or the only budget item that I can recall that's just capital, right off capital, so that \$2, I think now, the rate's \$2.29 per bill for every customer, water or sewer, that capital fee, that is the only true money right now that's tagged to capital. You can always use that cash on hand to fund whatever projects you want. But this is the first year we took a step of saying, "Hey, this portion of funds will go to the reserves." And again, that capital fee, that's just automatically... That's designated. But point well-taken, sir.

**0:47:36 Ms. Binder:** Mr. Bennett, you just had to catch up for all those days. [chuckle] All right, now we'll move on to Mr. Weakley's general manager's report.

**0:47:48 Mr. Weakley:** Thank you, Madam Chair. I have a brief report for you tonight. Let's wait for Mr. Dines to load it up so you can have it on your screen. Thank you, sir. So first up, some water information. Thanks to the board, the Systems East Incorporated Goods and Services or The Service Agreement, we've been very impressed. We've given them a few task. They actually completed that in one day. We gave them an additional task, but they have come out and fixed some backwash program issues over at the Hopyard Farm's water system. So, we're hoping to continue to build off that relationship and effectiveness of their time. The courthouse water system, I wanna bring this to your attention. We've been doing some behind the scenes work identifying what do we do with this problem. The courthouse water system has several wells that make up that system. Some systems might have two wells. In this case, I believe, there's at least six and one of which will have to be abandoned, spilled out in our ground water withdrawal permit.

But this particular well I'm gonna mention is the Perkins well, which is located behind KG Elementary. This well became impacted and we had to do some initial inspection work to identify what's the issue. We know in 2009 there was an issue where they TV'd, there was some of obstruction. It wasn't evacuated, the pump was put back in and we pumped fine since that time. Then, it became an issue for us, we pulled the pump again, let's see what the problem is. This time, we evacuated what was in the casing and when I mean that, there were obstructions. They evacuated between 40 to 50 pounds of gravel, pulled out some gasket material and other things and the footage that I saw clearly identified a hole in the well casing, not good. Fortunately, at this time, there's some 57-size gravel that's holding things from further impacting that well. But you have to seal that up.

So, the courthouse system, there's one well that's doing a lot of the work right now. We need to get a well, another well back in service. We're working with a well contractor. They identified an emergency fix. We have communicated that fix to Doug Mayer, the District Engineer for BDH, the Office of Drinking Water. He is fine with that approach, whether we drill the new well or do this work. We needed immediate action. So, we now have scheduled... The well was an originally 6-inch with a 6-inch pump. To fix this, they put what they call a K-Packer. You're basically, instead of sleeving the outside, you're putting this packer inside to cover this whole. It is friction-based, so it's not a long-term solution where you can guarantee and say, "Hey, you'll get 20 years out of this." You may get 20, you may get five, you may get less. But it will give us some additional value. It'll take us down around 200,000 gallon production from that one well to just under 100,000 gallons. But it's bringing another well, or it's bringing that well back into

service even though it's a reduced rate, and it will give us time to address other items.

For example, there's a well behind... I don't know if I should give out locations. We have another well in that system that was taken offline when the new elevated tank was constructed behind FoodLine and at that time, they felt that that well pump couldn't overcome the head pressure that push water to the tower. It's still a good production well. I've spoke with Drake Braden today about bringing that well back online and let's take a review of what it will take to do that. There was some well pump work at that well done between the years of 2014 and 2016. So, it's quite possible we may have a good well and that might will have to be a booster pump. We'll see. But I don't want a good production well to sit out there because what happens, whether it's a good production well or not, you can't have a well just sitting. You gotta identify what you're doing. But that will be a cost savings because the well exists and assuming they can't overcome that pressure, obviously, there's some time and engineering and money involved. But it'll be a lot cheaper than a new well. I do believe a new well would be the route to go at the Perkins site if we can drill a new one.

That comes at a cost, so the plan would be to evaluate scope of work in a cost, if we can get this one well I refered to that's offline now and rehab this existing well at Perkins, that keeps us up and going immediately. And the, n my recommendation will be to budget for a new well to be drilled at the existing Perkins site. You'll have to then... They don't like multiple wells on one site, so you'll then most likely have to abandon this well we're rehabbing now. Just a budgetary number and we're all sitting down, but just a budgetary number, I ask, "What does an 80-inch well cost?" You're gonna have to go down several hundred feet, probably between 7 to 800 feet and you're looking at least a couple hundred thousand dollars. So, you can see why my strategic approaches rehab the well right now, get that back online. It's reduced capacity, but it will help give some relief to this other well. Get the good production well that was taken offline because of the tower back online to buy us time, so we're being financial responsible and planning for the new Perkins well. So, I know that's a lot more than my bullet point, but I wanted to clearly identify what I was trying to convey for the courthouse water system. Any questions on that before I move on to wastewater?

**0:54:12 Ms. Binder:** No, I just wanna say, I can expect that my house is near that site and my well had to go over 700 or 800 feet in that range, so I'm not surprised.

**0:54:22 Mr. Weakley:** And some of this abandonment, and we'll touch on that later when we have an abandonment plan, is just the wells were constructed in a certain timeframe, new regs came in after 2010 and it's trying to meet those standards. But this particular matter, I believe we got a good plan in place. It's just getting some of that emergency work done. The rehab work, we believe, in two weeks, no more than three weeks, tops, it'll be back up and going. There's also some yield tests, some data, some information we have to give BDH so they approve it and say, "Yes, put it back online." But BDH is well-aware of our plan. They stop by our office. I think I reported it the last meeting. We discussed this. They said, "Move forward, just give us the yield rate and the clean back to results." They'll do a narrative, approve it and then, we put it back in service. So, hopefully, two weeks, no more than three, we'll have that emergency work done.

**0:55:19 Mr. Bennett:** Mr. Weakley, I'm not trying to be dense here, but here's what I'm hearing.

The Perkins corner well has a hole in it and they need to repair it. And in order to repair it, they have to put this packing stuff in, which I take it means that it's just smaller, and a smaller pump will be used, so 200,000 gallons less a day will be able to be pumped out of there. Do I have that part right?

**0:55:43 Mr. Weakley:** A little over 100,000 gallons less.

**0:55:45 Mr. Bennett:** Okay. But in addition, we have this other well that we're not using at all, which I take it is behind the Food Lion Shopping Center, somewhere in that area of the water tank.

**0:55:55 Mr. Weakley:** It's the opposite side of three, but yes, near that area.

**0:56:00 Mr. Bennett:** Okay. So we're gonna try to get that one back online and we're not using it now. So, if we do that, isn't that a net gain of one well from where we are now? Why would we need another new well?

**0:56:15 Mr. Weakley:** Fair and that's a very fair point. What we would do is look at the production that we're actually getting out of those wells. We would gauge it against our monthly demand, system demand. All we're doing for the new proposed well, as we have that, what will be in the review period, so all that is, is basically, you're having initial conversations with DEQ, 'cause they maintain the groundwater withdrawal permits and BDH's just to say, "Look, we're looking to explore this. It won't commit to a new well, but we'll know what is all needed. That'll define the scope of work and ultimately the cost." You may be right, sir that that's enough, but I can tell you right now with folks home with COVID, we're just 70,000 gallons per day under our monthly withdrawal limit. That's a direct effect of COVID, because you have folks that may have worked on the base, they use their water and sewer system. You have folks that crossed the 301 bridge, they're using services in Maryland. So, folks being home has put a strain on the water that we have, so it'll be an evaluation. Very good point, we'll evaluate it once those wells are back up and then, come to you with the recommendation whether that new well is needed or not.

My goal, sir, though if I may add, is that you have two sets of numbers that you observe. There's the capacity that the BDH permits your facility for, then there's the groundwater withdrawal limits that DEQ gives you, so you can have a half million gallon per day capacity permitted from BDH. DEQ, the withdrawal from it might say, "You can't have but 300,000 of that." The goal is, as I stated on the phone call today, we don't want to lose capacity. And having multiple wells online, it'll definitely be a step in the right direction, so we're not over-burdening the aquifer where that one well's set. So, to be determined, very good question. We'll look at those capacities and we'll look at system demand. Hopefully this virus will have a better outlook in the future and system demand will go back down, but we are very close. 70,000 gallons is still a lot, it sounds like, but it's a lot closer to our threshold, but we will evaluate that. Good point, sir.

**0:58:44 Mr. Bennett:** Thank you, Mr. Weakley.

**0:58:45 Mr. Weakley:** Yes, sir. Any other questions on water before moving on? Okay, on to

wastewater. Next slide, please. So going back to Systems East on the waste water's side, we recently had some work done at Dahlgren, some flow meter issues. But they will be installing a cell modem. This is pretty common for most system integrators. It gives them a back door channel, if you will, to come in and view your program and make changes, 'cause that's a lot of times, all that's needed. So, instead of travel, hotel, meals, all that fun stuff that you normally pay for, plus the operational downtime, you save on those costs and you're up and running at a sooner pace. So, we think that's... We're very excited about that. And again, SCI has made a very good first impression.

So, we have them scheduled for some additional work we'll report on in the near future, but so far so good. Next item, every year we have to submit what is known as the updated fifth-year nutrient data. So, you're looking out five years to that fifth year out of where you think you'll be, and this has to do with the nutrient exchange program. So, how much poundage of nitrogen or phosphorous you look to put out through your outfalls and how many remaining credits, or how much poundage and credits do you have remaining that you would pledge for either Class A or Class B cells. Class B cells, you're not really bringing in a lot. Class A is not a lot of money, but you're generally dealing with 50% to 75% higher value than Class B credits. Actually, I think the markets had Class B credits in a negative number last year, if that's actually possible. But here's the good news, we're not paying out money. These are credits that's available on the exchange for someone else to purchase, so you would get a check in from the exchange. You're not gonna get thousands upon thousands of dollars, but it's possible to have a few hundred dollars or maybe up to a \$1000 or more coming back in.

So, the main take away is one, we submitted the data as required and we're on path. We're projecting meeting permits, we're selling credits and we're not having to pay out. So, that's the highlight for that bullet point. Next bullet point, goods and service agreement. So thanks to both Mr. Britton and Miss Cobb, they had worked on the goods and services agreement at our last meeting. That was board approval pending those reviews. Good and service agreements were issued to those two vendors, one being Clearwater, the other being Evoqua and I think those are either on their way back, awaiting our signature, or they're on their way back. So, I believe we should have those this week, signed and then POs will be issued and work will commence. So, that's just an update from last meeting. Next slide, please. Under other information, so delinquent accounts, we just talked about that, so it was... Not A lot more I like to cover other than when we have our next update, I'll be coming back to you, like I said via email and it's on identifying whether it's certain limits of amount, account balance you wanna collect on and some other items. So, we're just getting that kicked off.

We believe it's a good service, we believe it's a service needed, so, that's all I had. If there's time, Madam Chair and members of the board, unless you have any questions.

**1:02:41 Ms. Binder:** Mr. Bennet? Nope. I just wanna say one thing before we call for adjournment. It's nice that we've gotten a further out of that ICU that you always reference Mr. Bennet, that we're selling credits possibly now. So, that's a really positive... Thank you to you and your staff. Do I have a motion for adjournment?

**1:03:00 Mr. Bennett:** I move that we adjourn until September 15th, 2020 at 5:30 PM at King

George High School.

**1:03:07 Ms. Binder:** Do I have a second?

**1:03:07 Mr. Parker:** Second.

**1:03:09 Ms. Binder:** Any discussion? All those in favor?

**1:03:12 All:** Aye.

**1:03:15 Ms. Binder:** Chair votes "Aye", motion carries. We are adjourned. I will... 10 minutes. So 6:45 about, we will start the board of supervisor meeting. Thank you.