

County Business

VIRGINIA:

At a regular meeting of the King George County Service Authority Board of Directors, held on Monday, the 17th day of March, 2020 at 5:30 p.m. in the Board Room of the Revercomb Building at 10459 Courthouse Drive, King George, Virginia:

PRESENT: Cathy Binder, Chairman
Michael Bennett, Member
Annie Cupka, Vice-Chairman
James Morris, Member
Allen R. Parker, Jr., Member
Neiman C. Young, County Administrator

Remote Presence: Eric A. Gregory, County Attorney

[START OF TRANSCRIPT]

Madam Chair: I call to order this regular meeting of the King George County Service Authority Board of Directors, Tuesday March 17th. Invocation will be by myself, and the Pledge of Allegiance by Mr. Weakley. Could you please stand.

In these trying times, please Lord just protect each and every one of our residents and all the citizens of this great country. May God bless the United States of America and King George County. Amen.

Mr. Weakley: Please remain standing and 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.

Madam Chair: Mr. Weakley, do we have any amendments to the agenda?

Mr. Weakley: Yes, Madam Chair, we do. I would suggest, under discussion items, you place budget discussion there because there needs to be some discussion whether what we're going to do for the budget work session scheduled for the 25th, so I think there should be some comment around that.

Madam Chair: All right. Thank you. Do I have a motion to accept the agenda as amended?

Mr. Bennett: So moved.

Ms. Cupka: Second.

Madam Chair: Any discussion? All those in favor?

Board: Aye.

Madam Chair: Any nay? Chair votes aye. Motion carries. Do we have anybody in the public who like to speak? 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 this time of the public hearing.

Do we have anybody online? Seeing that we have no public comment, I will close it and we will take reports from members of the board. Mr. Parker?

Mr. Parker: Last week, I attended a meeting to just discuss zoning opportunities or re-zoning opportunities for the King George Gateway, just to hear what they're thinking about on behalf of the Sewer Authority. I kind of get a feel of what they're thinking about doing. So we can see if we have the proper volume for water flows as well as sewer flows, that's still obviously in discussion and it has to go through the board of supervisors, but we were there for that.

Madam Chair: Thank you. Ms. Cupka?

Ms. Cupka: No report.

Madam Chair: Mr. Bennett?

Mr. Bennett: On March 4th, I attended the budget work session with all of my colleagues, and I'll save any comments I have about that until we talk about the budget. That's all, Madam Chair.

Madam Chair: All right. Thank you. Mr. Morris?

Mr. Morris: No report, ma'am.

Madam Chair: All right. Chair has no report at this time, but I want to thank all of our Water and Service Authority customers for bearing with us in this time, and if you have any calls or concerns, just contact Mr. Weakley; and

thank you to our staff for doing the best they can. Thank you. All right. Consent agenda?

Mr. Bennett: Move that we adopt the consent agenda.

Ms. Cupka: Second.

Madam Chair: Any discussion?

Mr. Weakley: Madam Chair, if I may interject just before you vote on, I always like to point out any big ticket items, and I know, Madam Chair, you and I spoke over that at the agenda meeting, but the second warrant item is a large item of 318,000 that is for debt payment. We do not make our debt payments all at one lump sum. They are spread out throughout the year, so that's why you see that high number for **[0:03:26 inaudible]** Thank you, Madam Chair.

Madam Chair: Thank you for that clarification. So we had a motion, we had a second. Any discussion? All in favor?

Board: Aye.

Madam Chair: Any nay? Chair votes aye. Motion carries. Thank you. Report from the county attorney? Mr. Gregory?

Mr. Gregory: **[0:03:45 inaudible]**. Thank you.

Madam Chair: Thank you. Presentations and reports: Kamstrup Water Meter Replacement Program?

Mr. Weakley: Yes, ma'am, Madam Chair. So I did not ask you to strike that, although they will not be here tonight. Due to all the health concerns, we have postponed AMI Meter Replacement Program presentation. I contacted Kamstrup earlier on to let them know we'll postpone it or bring it back.

I think we're also going to have some discussions maybe later on in our budget discussion item this evening, but that has been postponed. You all have the information though; I think it's useful information. I did provide and I apologize I had a typo in Mr. **[0:04:29 Kyles']** name. Mr. Kyles is the lead and he's the point of contact for Kamstrup. Feel free, if you want to send questions to me, I can submit on behalf and get answers; or if you like to contact Mr. Kyles directly, he is waiting. I did inform him that the board would get his point-of-contact number. So it's a good opportunity to learn. Whether the program has moved forward this year, following year, or any year in the future, it's a good

time to review that information because AMI is the program, Kamstrup is one of many providers that offer it. Again, it's a good opportunity to look at the benefits and advantages that are outlined that would be true for any provider or the Service Authority's operations.

Madam Chair: All right. Thank you, Mr. Weakley. Do we have any action items?

Mr. Weakley: No action items, Madam Chair.

Madam Chair: Now, we're up to discussion items: budget discussion. Mr. Weakley?

Mr. Weakley: Madam Chair, thank you. Our next scheduled budget work session is for March 25th, 6:00 PM, at Company 1. I know COVID-19. Restrictions change regularly through the governor's office, through our federal offices as well, and the question becomes: does the Board wish to have that meeting still on March 25th? What I was going to suggest to the board of directors tonight is to cancel that meeting, not only as we figure out meeting requirements, but primarily, let me go back through the budget as was presented and see if there are some areas to take in considerations, the economic downturn that we will probably go through and see if there's any trimming or adjustments that can be made and bring that back to the Board for suggestions.

What I would suggest to you, and you all are going to get ready to have a discussion on this, is let me go back and do that trimming, cancel your meeting on the 25th. I can come back the earliest at April 7th, what would be our next scheduled business meeting, and have future discussions.

I think part of the discussions tonight, I know Mr. Bennett will have some comments on this as well, the question will become: do we want to have our budget work sessions at our regular meeting? Would you all like to do 201s and obviously, there will be one remaining member. I will present the same information that I go back and retool, and carve out the budget to each those 201s and that final 101, and ultimately come back to that final board meeting, and if consensus is had, I will present that to the Board as a whole and you would vote up or down if that's the budget we want to put out for public advertisement.

Those are the comments that I have. I'm recommending cancelling the March 25th meeting, allowing staff, that's myself and others, go back through and if there's any curving to do that in respect to the revenues and expenditures. So that's the discussion I had around it, Madam Chair.

Madam Chair: Thank you. Does anyone have any feelings, thoughts? Mr. Bennett?

Mr. Bennett: I agree with Mr. Weakley, Madam Chair. I think we should cancel the March 25th budget work session. We should plug that discussion in at the end of our next regularly scheduled meeting on April 7th.

My suggestion would be that we limit ourselves to a total of one hour, so we don't bleed over into the time for the board of supervisors. If we're not done by then, we can do as Mr. Weakley suggest to have some smaller group meetings; but I don't think there's that much left to do. So my suggestion would be we can limit our meetings to one less.

Madam Chair: How does everybody else feel about that?

Mr. Parker: I concur with Mr. Bennett.

Ms. Cupka: As do I.

Mr. Morris: Same, I concur.

Madam Chair: Okay. So I guess that would be directive is our April 7th board meeting, we'll discuss what we need to discuss about the budget.

Mr. Weakley: Okay. So just so I'm tracking, I'll go back through, make the adjustments. We can send emails out well in advance, that way if there's some comment, we can go through and do some further tweaking. Then, the 7th, I will present that latest version and then we'll go through. Okay.

Mr. Bennett: Can I make a suggestion? Anything you change on the budget from what we've talked about before, highlighted in a different color, so that we know or note it somewhere so that the changes are easy to pick up.

Mr. Weakley: Okay. Good suggestion. Was the summary page I provided last time where I put the line item, the number, and the adjustments, was that helpful? Was that format helpful?

Mr. Parker: Yes.

Madam Chair: Yes.

Mr. Weakley: Okay. So maybe I'll carry through with that, okay.

Madam Chair: Yeah.

Ms. Cupka: Also, one more thing, if I may Madam Chair, can we make sure... obviously, it's up to citizens if they want to participate at this point, but

can we also make sure to notify them that that budget work session has been cancelled and it will be included in our regular meeting, Ms. Dodge?

Mr. Bennett: Half our budget citizen group is right there. So Ms. Dodge, consider yourself informed.

Mr. Weakley: Absolute.

Ms. Cupka: Thank you.

Mr. Weakley: I will email Ms. Dodge and Mr. Lynch. If I don't hear back on the next day or so, I will reach out by phone. Obviously, Ms. Dodge is in attendance tonight, but yes ma'am, good point.

Madam Chair: Make sure they can also provide feedback to you ahead of time, so we have all of our questions ready to go on April 7th.

Mr. Weakley: Absolutely. Yes, Madam Chair.

Mr. Bennett: Madam Chair, I have one more thing I just want to throw out real quick to the group. I've been thinking about the AMI, the Kamstrup, Water Meter Replacement Program. When I first heard about this, I think it's a great idea; so don't misunderstand me. I think it's something we should do. But the more I think about it, I don't think we should do it in this coming budget year. I think we've had so much trouble understanding what our revenue is. I think, in Mr. Weakley's first budget, we got a pretty good handle on our expenses, our operations, our maintenance, our repairs, the DEQ items. I thought we had a very accurate and honest attempt to figure out what all of those numbers would be.

Then we raised rates and we took some action on the revenue side; but with that too many billing problems, I'm not clear where we are on revenue and before we think about a 1.8-million-dollar purchase with all the intended borrowing, I think we ought to get a better handle on where we are in terms of revenue and for that, I think we need to let community billing run for about a year. It's about to start up first of April, I believe.

So that's my suggestion. We're not going to have to decide that tonight, and if you guys disagree, I'll love you just as much. But it seems to me that's a little bit too much too soon given where we are on revenue and that doesn't even speak to the uncertainty in the economy coming in the next month or two, or however long that may be. So it just strikes

me as it's just too much too soon to go in that direction for that price tag.

The other thing going on, and I know the supervisors are not having their public hearings right now... so the Villages development is not going to be determined which is key to our decision on a new plant at Purkins Corner. So it seems to me that what we do there, we might need to have a little better idea where we're going there before we borrow almost two million dollars for something else. Just my two cents. Thank you, Madam Chair.

Madam Chair:

Mr. Weakley and I had spoken earlier about making sure that he has to buy some water meters for the connections that we anticipate, right, 50, and we make sure that those are the newer water meters as oppose to the older. So we do need to buy a few for the 50 plus. You said 20, right, as a buffer?

Mr. Weakley:

We've got some options, part of that is I'm going to go back and curve. We had outlined in that particular expense item 150 meters. 50 would be program for the expected connections. So I plan on slicing that down to a hundred or 75, so that would give you there are 25 or 50 buffer depending on the number that you would have, that would be absolute, needed to be replaced, not just part of a replacement program.

I would like to also add, Madam Chair, for just knowledge for the budget discussions, I have sent the budget as presented from last time over to Davenport, our financial advisor. Cal and I had long discussions, and this was before things rapidly changed too, and so he's going to look at all that because there is a concern billing up. You've heard me talk about cash-on-hand. We did take a dip last year because of expenditures and revenues, where they lined up. So he's going to review all that and come back with some thoughts and recommendations, that's what we pay them to do. He's going to take in consideration our standing with BRA, the debt service coverage, to make sure we're meeting our obligations.

In that conversation, he has just stated her tonight amongst others have concerns with the economy. Again, we'll go back to that budget. I just want to let you know that it's not just my eyes on it and your eyes on it. We're also sending it through our financial advisor.

Madam Chair:

Thank you for that clarification. All right. General Manager's report.

Mr. Weakley:

All right. The report is brief tonight. A lot of the time was allocated for the presentation prior. So what's not up on the board, some of the other items we've been working on is plan review. One of those which Mr. Parker alluded to. We get folks that come in for pre-application meeting. So Mr. Murphy came in, just seeing if he can do some rezoning at the Gateway with remaining properties.

But some of the current event items we have up there, I just wanted to mention real quick, a KG Alert was sent out today. We already had the mailing insert that will be put into the... placed into the bills and mailed out, notifying our customers of the transition to Muni- billing which is effective April 1st. The letter is also placed on our website, reviewing as well, but that will be received in the bills that come out this week.

Brief service authority staff had a good meeting I attended with our department heads over at the EOC, some of the members of the Board were there as well, and just went over some guidelines. From that meeting, I took back and printed out some CDC information as well as share the county travel policy that was just issued recently with staff. There's three remaining staff that I will touch base with tomorrow that they have been scheduled off. They will be returning to work tomorrow, so we will update them as well with all the latest information that's out there.

Basically, we have cancelled all non-essential travel. There were already some planned training events we've canceled. So, for example, the VRWA conference and other managers were going to attend in April has been cancelled. Any classes they had signed up through other venues have been cancelled. We have cancelled the Governor's School facility tour that we do every year, that has been cancelled; as well as the scheduled tank washout of Arnold's Corner elevated water tank, that will not cause any water quality issues, that was part of our maintenance service agreement; but since they will be residents who are home now dealing with this health concern, as well as schools, so you have businesses, you have schools, you have residents doing extra cleaning. We do not want to reduce our capacity at this dire time, so we have postponed that activity and we'll reschedule that.

The Service Authority, just like the county, issued a public statement on COVID-19. You all received that and thank you for your comments, and we have posted it just trying to keep the public informed, just similar to what the county has followed through.

Then, this just recently changed this afternoon, I know I had conversation with HR about this: the Governor issued an update and part of that was per SEC guidelines that all utilities - so that's gas, that's power, and that's us for water and sewer - "shall not," is the operative word, disconnect services for the next 60 days, that's to get folks the chance to get their finances and just our life like all of us in order. So we definitely don't want to be a burden. We will work with our customers, but that was the latest governor release. So Madam Chair, currently, that wraps up my general manager's report.

Madam Chair: Thank you. So do we have a motion to adjourn?

Mr. Weakley: If I may, since the cancelling of the meeting on the 25th, our next would be April the 7th at 5:30 in this room.

Madam Chair: Thank you.

Ms. Cupka: I move to adjourn to Tuesday April 7th at 5:30 in the board room.

Madam Chair: Second?

Mr. Bennett: Second.

Madam Chair: Any discussion? All in favor?

Board: Aye.

Madam Chair: Any nays? Chair votes aye. We are adjourned. Thank you.