

VIRGINIA:

At a regular meeting of the King George County Service Authority Board of Directors, held on Tuesday, the 15th day of February, 2022 at 5:30 p.m. in the Revercomb Building Board Room at 10459 Courthouse Drive, King George, Virginia:

PRESENT:

James Morris, Chairman
Allen R. Parker, Jr., Vice-Chairman
Cathy Binder, Member
Annie Cupka, Member
Carrie Cleveland, Member
Chris Miller, County Administrator/Interim General Manager
Kelly Lackey, County Attorney

0:00:00.0 Chairman: I hereby call this regular meeting of the King George County Service Authority Board of Directors to order. We will start with an invocation by Ms. Cleveland, followed by the Pledge of Allegiance by Mr. Miller. If you can stand, please do so.

0:00:24.5 Carrie Cleveland: Dear Lord, we pray that you will help guide this board to make the best decisions for the Service Authority and King George County.

0:00:37.7 ALL: 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.

0:01:00.7 Chairman: Thank you. Mr. Miller, do we have any amendments to the agenda?

0:01:03.9 Chris Miller: Yes, sir. We're requesting that you amend the agenda to add as a discussion, item would be 2.13.1, the proposed merger of the Service Authority with the county.

0:01:20.4 Annie Cupka: So moved.

0:01:23.8 Cathy Binder: Second.

0:01:25.0 Chairman: Motion has been made and second. Any discussions? All in favor?

0:01:29.4 C. Binder: Aye.

0:01:30.7 C. Cleveland: Aye.

0:01:30.9 A. Cupka: Aye.

0:01:31.0 Allen Parker: Aye.

0:01:32.5 Chairman: Chair votes aye. Any objections? Motion carries. Okay. Moving on, public comments. Anybody in the audience wish to speak this evening? Mr. Dias, do we have anybody online?

0:01:48.8 Chairman: Thank you, sir. Okay, report on the members of the board. Ms. Binder?

0:01:53.9 C. Binder: Yes. The one thing I wanted to point out was I was involved in our all fellow board members and Board of Supervisors members, it was talks about the added agenda item getting background information. Thank you.

0:02:08.0 Chairman: Thank you, Ms. Binder. Mr. Parker?

0:02:10.5 A. Parker: I'll reiterate the same, the discussions on the possible merger.

0:02:15.5 Chairman: Thank you, sir. Ms. Cupka?

0:02:18.5 A. Cupka: I don't have anything to add that my colleagues haven't already identified.

0:02:22.9 Chairman: Thank you. Ms. Cleveland?

0:02:24.0 C. Cleveland: And that's the same with me. Thank you.

0:02:26.0 Chairman: Thank you. Myself also had those discussions. The other item is, I have met with the majority of the property owners that have the land adjacent to or across from the St. Paul Well on Strawberry Hill. The consensus is they have no issue with the Service Authority purchasing that land if it works out. The one thing they request is that we try and maintain the natural buffer as much as we can. And interesting, quite a few of them did not realize or did not know that we did not... We, the Service Authority, did not own that surrounding land, so it's been an education for myself and for the surrounding residents. That's all I have in my report. Okay, moving on to consent agenda.

0:03:32.7 A. Parker: Motion to accept the consent agenda as written.

0:03:35.5 C. Binder: Second.

0:03:36.5 Chairman: We have a motion and a second. Any discussion? All in favor?

0:03:40.8 C. Binder: Aye.

0:03:41.5 C. Cleveland: Aye.

0:03:41.9 A. Cupka: Aye.

0:03:42.4 A. Parker: Aye.

0:03:43.7 Chairman: Chair votes aye. Any objections? Motion carries. Moving on now to a report from the county attorney, Ms. Lackey.

0:03:56.5 Kelly Lackey: I just very briefly wanted to point out that in the reports it was mentioned there was discussion of this possible merger item. I just wanted to point out, none of those were public meetings, there were no more than two members present.

0:04:13.7 Chairman: Thank you. Okay, now moving on to presentations and reports. First we have an action item from the Department of Finance.

0:04:33.8 Donna Hahn: Good evening, Mr. Chair, members of the board. At the King George County Service Authority Board of Directors Meeting held on November 9th, 2021, the CIP 6-year plan was approved. At that time, funds were not appropriated. Staff is prepared to issue a contract for the advanced metering infrastructure project AMI and funds need to be appropriated prior to a contract award. Thus, it is recommended that they appropriate their approved project budget in the amount of \$2 million.

0:05:13.9 Chairman: Thank you. Anybody have any questions?

0:05:17.8 C. Miller: Sir, if I may clarify. So the \$2 million is phased in your Capital Improvements Plan, phased in as \$1 million this current fiscal year and then it would be \$500,000 for each of this preceding year... Or succeeding year, excuse me. Not \$2 million upfront.

0:05:39.0 D. Hahn: But the \$2 million does need to be appropriated in order to award the contract and the contract will be phased in over the three-year process, as well.

0:05:49.9 Chairman: Okay. Thank you for the clarification.

0:05:52.8 C. Binder: Mr. Chair?

0:05:53.7 Chairman: Yes, ma'am?

0:05:54.0 C. Binder: My microphone is not... There it goes. Quick question, which fund? Is that coming out of the \$15 million that...

0:06:02.7 C. Miller: That would be the place to do that. We would probably do it in a way that's like a reimburse ourselves type thing, I think. Is that...

0:06:10.5 D. Hahn: That's correct. When we spend out of that \$15 million line of credit, we make the purchases upfront and reimburse from that and then we are responsible to pay only the interest in the current fiscal year of anything that is spent.

0:06:25.9 C. Binder: Thank you.

0:06:29.7 Chairman: Okay. Any other questions, discussion? Okay. Move for a motion.

0:06:41.5 C. Binder: I'll recommend or make a motion to appropriate the approved project budget

in the amount of \$2 million.

0:06:50.0 A. Parker: Second.

0:06:51.5 Chairman: Motion has been made in second. Any discussions? Okay. How does vote or do a roll vote. Ms. Binder?

0:07:06.2 C. Binder: Aye.

0:07:06.3 Chairman: Mr. Parker?

0:07:07.8 A. Parker: Aye.

0:07:08.4 Chairman: Ms. Cupka?

0:07:11.1 A. Cupka: Aye.

0:07:11.2 Chairman: Ms. Cleveland?

0:07:13.7 C. Cleveland: Aye.

0:07:14.3 Chairman: And the chair votes aye. Yeah. Motion carries, unanimously. Okay, next.

0:07:25.1 C. Miller: If I could just... One thing I just wanted to point out, so we will read back to you with an actual procurement on this, so this is... You haven't approved any hiring of anybody yet at this point, we just needed to appropriate these funds, then we'll bring a procurement, I think we'll be able to... Hopefully, bring it to the next meeting. Is that correct?

0:07:47.6 Chairman: Yeah. Okay, thank you for the... Moving on to the Strawberry Hills, Saint Paul's well discussion.

0:08:04.6 C. Miller: I think we just wanted to put this on. I believe that Ms. Lackey has indicated that there were obviously some restrictive covenants on there, and then you indicated that you spoke with surrounding property owners. I think we have an offer that has been made, if I'm correct, or if you wanted to report that and then we... We're ready to take action, I don't know that there's anything else further to do; is there?

0:08:31.9 K. Lackey: I do, we would have a basis to go into close meeting if anyone needed to have any further discussion, we would have a basis to go into close meeting if there a... If you see the need to, otherwise, we could potentially entertain a motion to authorize me to draft, draft a purchase and sale agreement, and then I'd probably come back to you at a later date for a small appropriation to have an attorney do the... Perform the closing if all goes well, if we get that agreement under contract.

0:09:05.3 Chairman: Okay, thank you. And there's no issue with me just discuss... Disclosing the price now, is there?

0:09:15.8 K. Lackey: That's at the discretion of the board. If you wanted to go into closed, we

could discuss a price, if there was a... If that was the will of the board.

0:09:28.3 Chairman: Okay, the gentleman that owns the property is offering it to us for \$2,000. It's one and a half acres, yes, there are... The covenants on the land, but this ensures that we have additional space around the well head for any work that we may need to do and stuff. So the cost would be the \$2,000 for the land and then whatever fees are incurred with recording the transfer the deed, etcetera, correct?

0:10:11.4 K. Lackey: That's right, in fact, that is the price acceptable to the seller, then the county would repay for the closing costs, and the recordation costs, if any.

0:10:22.2 A. Cupka: May I ask a question. So right now though, we aren't spending any money, all we're doing tonight is directing the county attorney to execute or to draft a purchase agreement, right? And then you will need to bring that back to us for another vote at another meeting. I don't want us to get too far ahead of ourselves tonight.

0:10:45.9 K. Lackey: That's correct. What I could do is draft it, present it to the seller, if it's executed by the seller, I could bring it back to the board, and I didn't just mis-speak, it would be the... The Service authority would be making the acquisition.

0:11:01.0 A. Cupka: Do you want a motion?

0:11:04.3 Chairman: Please.

0:11:04.5 A. Cupka: Sorry, it looks like a question.

0:11:05.1 A. Parker: Yeah. I was gonna make a motion because I think that's... So I make a motion that we have Ms. Lackey draft and present a purchase agreement to the seller, the purchase of the Strawberry Hill property.

0:11:21.8 A. Cupka: Second.

0:11:23.3 Chairman: Motion's been made in second. Do a roll call vote. Ms. Binder?

0:11:27.0 C. Binder: Aye.

0:11:28.6 Chairman: Mr. Parker?

0:11:29.1 A. Parker: Aye.

0:11:32.3 Chairman: Ms. Cupka?

0:11:32.4 A. Cupka: Aye.

0:11:32.6 Chairman: Ms. Cleveland?

0:11:33.3 C. Cleveland: Aye.

0:11:34.1 Chairman: And the chair votes aye. Motion is carried unanimously. Moving on to the next item, the proposed or potential merger of the service authority and to the county.

0:11:50.7 C. Miller: If I can just go ahead and kinda do a little brief and, excuse me... Brief intro. So as Ms. Lackey indicated, we did have meetings with you all, two members present, so we didn't have any kind of an open meetings situation, and those meetings, again, as I indicated, when we met, was to provide you all with information that you had requested in terms of the job description of if a Department of Public Utilities was put together under the auspices of the county, I would continue to serve the water and sewer needs of the service authority, and it would be a director of public utilities, and we showed you that information. I think the other more critical information that you all had was the information about the financing and how you could create an enterprise fund and how the enterprise fund would be separate and distinct in its operations from the county's general funds, and how you could deal with some of the bond issues and some of the future financing needs.

All of you indicated a desire to have a joint meeting with the Board of Supervisors, and the Board of Supervisors' representatives who were there indicated that will or that desire as well, so I think we're certainly able to answer any questions tonight, but the big next step I took from those meetings was you wanted to have that joint meeting, and there is some stuff that we're gonna produce for you that was brought up about how existing ratepayers might have to deal with future development-related impacts and how we wanted to make sure that existing ratepayers weren't going to be saddled with the burden of future development, how we could try to work that. Some of the things that we also talked about were what the regulatory agencies at the state level would say about something like this, and so we'll go to that, working on that, and we'll work towards getting those questions answered for you, and it would probably be something that would... We could provide it at that joint meeting.

0:14:26.2 Chairman: Thank you, Mr. Miller. Any member have a question or any discussion? Okay.

0:14:36.3 C. Cleveland: I would just add that I think that the concept is a good concept. And at this point, with the services being in limbo without a General Manager, we need to move forward with these discussions, if it's something that we are looking into, to definitely get our questions answered.

0:14:53.7 Chairman: Thank you, Ms. Cleveland. Okay. Can I entertain a motion? And we have to have a motion to help direct him to set up a joint meeting with the supervisors.

0:15:16.9 A. Cupka: Motion for that is consensus, right...

0:15:20.7 C. Miller: Yeah, I don't know that you need a motion, but I do think obviously that the members of the Board of Supervisors who sit as board members of the service authority can convey that as well, and I will also provide that update tonight at the supervisor's meeting as well, but, yeah, I don't know that you need a specific motion.

0:15:41.5 Chairman: Okay.

0:15:43.3 C. Miller: We just need to have some dates. Something that would have to be something that happens in March, where we could get a joint meeting. Okay. Ms. Lackey?

0:15:55.2 K. Lackey: If I may. So we do not need to have a motion to have the joint meeting, but just so that the members of the board of directors and the public are clear, the joint meeting would just be that it'd just be a joint meeting for an exploratory session of this proposed merger. There'd be further... Much, much further legal actions would be needed in order to proceed with that actual merger.

0:16:18.4 Chairman: Thank you for the clarification. Question, do we need to advertise it? Is that gonna be a public meeting, that's advertised?

0:16:26.5 K. Lackey: Yes, that's correct. It would be a public... Advertised as a public meeting.

0:16:30.0 C. Miller: And it would... It could be done as a work session where you have the opportunity like the Board of Supervisors does with their budgets, where they review things and they have some directives, but they aren't necessarily... It's not taking action that requires a formal board meeting, it would be more of a discussion purpose, and the opportunity to share joint concerns or provide joint input.

0:17:04.8 Chairman: Okay, thank you. And we look forward to that future meeting. Okay. And Mr. Miller, now's time for your general manager's report.

0:17:12.4 C. Miller: Alright. The first thought of mine I would point out is... I do have a number of things here, but I will point out that we have applied the ARPA funds to 393 customer accounts, and that's totaling about \$99,000 that we will be providing to citizens and accounts that are in need of that under the ARPA regulations. Also, Dahlgren updates, so great news, I can tell you... And I'm not gonna give you the chemical and the biological update 'cause that's why we have these folks, but I am being told that we have good affluent, that it's clear, it's... The numbers are good, and so Dahlgren is making its way back, and we're very, very happy about that. We also are having weekly meetings with DEQ, and they are obviously holding us accountable in the sense that this situation happened, and we are now in the process of... As I said, we're meeting with all their needs and all of their concerns on a daily basis and on a weekly basis, and I think I'm happy to report that Dahlgren is turning the corner. The numbers are way down in terms of where they were, and when you look at the various readings that you had to... That you take account for...

I can tell you this, I was told that we have been processing sludge for 24 hours a day for the last several weeks, and that means bringing it in from other places that... And they are now feeling that they'll be able to back that off and not have to do that as much, and that's a good thing, 'cause it's an important factor to all this. Some projects that are gonna be coming out of this, we know our CIP included an ultra-violet system to be put in, and we are going to now up that faster than we were planning on it, we had a... In dealing with DEQ, we were given until December of next year or this year to get it done, but we are gonna actually accelerate that project and they're very happy about that, so we'll have a future procurement that we'll be working with finance on and bringing back to y'all.

The other thing that's at Dahlgren that we know is a big concern is, we call it the EQ basin, and EQ basin is where we think that some of our problems have lied within the immediate time frame, but also in the past, and there were some repairs done to that EQ basin. We believe like 2017, and we believe that the repairs that were done were not adequate, and so it actually... If you understand what an EQ basin is, it's basically like a holding pond, and it's lined with a lining that prevents it from seeping into the groundwater or anything like that, and when they had some issues, they went

in and they filled some of the area around a big suction pipe that they put gravel and they put rip wrap and rock, and that caused it not to settle exactly, so we've actually created a problem where, the EQ basin is probably two or three feet higher than where it should be, and so when you have a situation where they're having to pump into that holding pond, it kinda starts to get limited the more you pump into it. And we think that was one of their concerns as well, and so we're going to be bringing a project for that, to address that situation here in the future.

I&I projects, which is inflow and infiltration. That is another part of the Dahlgren scenario. It also affects our other plants, and so we are working in-house right now on identifying where our problems are, we will be bringing something to you in the very near future, we have a study that we're gonna do, and then we'll probably a project list and that's gonna be a significant... That'll be a significant project because you're looking at a couple of things with I&I, one is you can rehab pumps stations. The other thing you can do is, you can rehab and reconstruct man holes, 'cause a lot of these man-holes are man-holes that are very old and were built in a different way than they are, the technology is today. And then you have the other thing, is the lining of existing pipe, where they'll go in with a particular type of sealant and run it through the line and then it bonds and it... It's sealed from within, and that's something that we're also gonna be looking at, so that Dahlgren area is obviously susceptible to a lot of I&I issues because of the low nature of it, but we are working, like you said, in-house with our staff, and then we're going to bring some engineering talent on board to help us as well.

The governor's budget proposal, so it's my understanding that that is still alive and we have sent and submitted information so that Senator Stuart can better advocate for us, obviously, and a little bit more of a more detailed narrative and some cost information to Senator Stuart so he can advocate for that project, and we hope that it stays alive.

New employee, Jason Orr, wastewater treatment plant operator came on board at the right time, so he's getting thrown right into Dahlgren, is what I understand, so we're really happy for him. Citizen, budget advisory committee, vacancies, I believe, Mr. Parker, you had one that you recommended, and I don't know if some other folks had some for the Service Authority. I know the Board of Supervisors will do the same thing, but when we sit down to start the budget process, I think we were talking about March, April timeframe, we'll reach out to you all again if you have anybody to be a part of that. Perkins de-commissioning, we have a... We're in the process of doing our due diligence on that procurement, correct? Oh, she has an update for us.

0:25:01.9 D. Hahn: For this project right now, for the design and the phases of it, we are utilizing one of our professional services agreements that we have, I believe it's with RK&K.

0:25:15.1 C. Miller: Yes, that's right.

0:25:18.3 D. Hahn: They're in negotiations right now.

0:25:18.4 C. Miller: Okay. Water Resources planning, obviously, we are looking at future water needs, and... We are also working with the Virginia Department of Health and the Department of Environmental Quality on the water situation for us, with the groundwater usage. We have a meeting this week with our engineering representatives from Draper Aden to start planning the immediate needs that would probably form a mini little project list to go, that would be before that \$5 million that the Virginia Department of Health provided us with, that will come through ARPA money that will come on the 1st of July, so we will have a list of projects to address those concerns. We also, as I think, we've indicated that we'll probably have some resources from that \$5 million to go towards acquisition of surface water, so we're looking at that as well, but we will bring those

things back to you as we go along. I think that's it.

0:26:39.2 Chairman: Thank you, Mr. Miller. Anyone have any questions for him?

0:26:43.8 C. Cleveland: I had a question about the citizen advisory. At what time should we have that to you by?

0:26:52.5 C. Miller: I guess you all can give it to me and I can bring it back to a future meeting, you can appoint those people, is officially appoint them. So if you have somebody that you wanna put on, we can do it at the next meeting or the following meeting. I know Mr. Parker had told me somebody, Mr. Griffin, I think... And so you had... So if you have somebody in mind, you just get it to us and we'll bring it back at the next meeting, and you can make an official appointment.

0:27:21.4 C. Cleveland: Okay, thanks.

0:27:26.2 Chairman: Mr. Miller, our new hiree Mr. Orr, do we know what class he's...

0:27:32.5 C. Miller: So he's the beginning, trainee...

0:27:38.1 Chairman: He's a trainee.

0:27:38.8 C. Miller: Wastewater.

0:27:40.9 Chairman: Okay, thank you.

0:27:41.5 C. Miller: We're only happy. It's... The group that interviewed him really came away with a good feeling about him, so I think he's a big, strong young kid, so we're excited.

0:27:55.5 Chairman: Thank you. Any other questions? Okay, any information I missed to discuss. Okay, motion to adjourn.

0:28:07.8 A. Parker: I make a motion to adjourn to March 1st, 2022 at 5:30 PM here in the boardroom.

0:28:14.7 C. Binder: Second.

0:28:15.2 Chairman: Motion's been made and second. Any discussions? All in favor?

0:28:17.8 C. Binder: Aye.

0:28:18.9 C. Cleveland: Aye.

0:28:19.0 A. Cupka: Aye.

0:28:20.2 A. Parker

0:28:21.4 Chairman: Chair votes aye. Any objections? We are adjourned to March 1st, 2022 at 5:30 PM here in the boardroom.