

VIRGINIA:

At a regular meeting of the King George County Service Authority Board of Directors, held on Tuesday, the 21st day of March 2023 at 5:30 p.m. in the Revercomb Building Board Room at 10459 Courthouse Drive, King George, Virginia:

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

ABSENT: Annie Cupka, Member

0:00:03.1 Chairman: I now call to order this regular meeting of the King George County Service Authority Board of Directors. Please stand for the invocation by Ms. Binder and the Pledge of Allegiance by Mr. Miller. Thank you.

0:00:15.5 Cathy Binder: Please, Lord, look over us to make sure we make the best decisions as possible for the residents and the water and sewer customers of the Service Authority. Amen.

0:00:28.5 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.

0:00:44.9 Chairman: Just a quick note, Ms. Cupka is unable to attend. She has a scheduling conflict, so I was just putting that in the record. Mr. Miller, are there any amendments to the agenda?

0:00:54.6 Christopher Miller: Yes, sir, we have two. One is to move up the Change Order for the Fairview Beach Outfall up to 03-10, and then move the presentations to 03-11 A and B.

0:01:13.0 C. Binder: So moved.

0:01:13.1 Carrie Cleveland: Second.

0:01:14.2 C. Miller: And then the second would... Oh, go ahead. I'm sorry. I guess you got to vote on each one. Go ahead.

0:01:20.1 Chairman: We have a motion made and seconded. All in favor?

0:01:22.5 C. Binder: Aye.

0:01:23.4 C. Cleveland: Aye.

0:01:24.8 Jim Morris: Aye.

0:01:25.8 Chairman: Chair votes aye, the motion carries.

0:01:29.7 C. Miller: The second item is a closed session.

0:01:34.6 C. Binder: Do we need to put the topic of the closed session or just closed session?

0:01:39.7 Kelly Lackey: We can just defer the actual talk with closed session for the motion on the closed, unless you all would like...

0:01:45.8 C. Binder: I just want to make sure, clarify. So moved.

0:01:48.5 J. Morris: Second.

0:01:50.5 Chairman: We have a motion made and seconded. All those in favor?

0:01:54.7 C. Binder: Aye.

0:01:55.8 C. Cleveland: Aye.

0:01:56.9 J. Morris: Aye.

0:01:57.0 Chairman: Chair votes aye, motion carries. Are there any other amendments?

0:02:00.6 C. Miller: No, sir.

0:02:01.8 Chairman: Moving on to public comment, public 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 anybody that would like to make comment tonight? Seeing no one. Anybody online?

0:02:29.8 Chris Dines: No, Mr. Chairman.

0:02:31.7 Chairman: All right. We will close public comment. Reports from the members of the board. Ms. Binder?

0:02:38.1 C. Binder: Yes. I do have some questions for Mr. Miller in his report later, but I had spoken to and talked to some of the employees about some concerns they had with the Service

Authority. Thank you.

0:02:55.7 Chairman: Ms. Cleveland?

0:02:57.7 C. Cleveland: Yes. Good evening. I would like to share that I too was able to speak with some of the employees of the Service Authority. They sent emails to all the board members bringing to the board's attention about possible misleading information that the board has received, and more insight on the Service Authority operations and how they perceive the performance of Inboden and their engagement with the Service Authority plants. I know that the other board members were able to meet or talk with the employees, and I was hoping that we would be able to have some sort of discussion or share information amongst each other considering that the information that was passed on to us was concerning and some of the doubts that I had personally when I made the decision to not take on the Inboden contract.

There is two things specifically that I'd like Mr. Miller to address in his manager report today. One is, and I don't know this to be accurate or not, but I was informed that there was an interview for a Class 1 operator that took place in February of this year. It appeared that this candidate had a considerable amount of experience with wastewater and had a Class 1 license for 10 years. So I'm not sure if that was shared with the board or not, but that is definitely not something that I knew about. So I would like to know how that interview went and why that candidate may or may not have been brought up to the board.

The second thing that I wanted Mr. Miller to address is the nutrient levels. Under Inboden's watch in all of 2022, the discharge requirements for the total nitrogen and the total phosphorus were out of compliance, and they continue to be out of compliance for nitrogen, and I'm just curious as to what the, I guess, issue is, and why we can't get those nutrients in line, especially because we're paying considerable money to a contractor that... I personally think that if we're paying a considerable amount of money to somebody who is very educated in water, should be able to bring our nutrient levels to where they would need to be. Thank you.

0:05:42.5 Chairman: So just one thing, that interview was brought up in one of Mr. Miller's past things. I don't remember, they got the gentleman's name, but he's from a county way out in the western portion of the state, and it was... That county got... They're part of the Rappahannock something or other and they were organizing that district, and he was looking to maybe come here as a wastewater operator. But he'd be traveling from a long distance and he didn't wanna move, if I'm remembering correctly.

0:06:13.8 C. Miller: That's correct. So I'm happy to answer to some of those questions right now or I can wait. It depends on how you wanna handle that.

0:06:21.4 Chairman: You can handle it in your board report at the end. But I just wanted to point out that that was... That gentleman was brought up, I don't remember his name, but he was from out west part of the Rappahannock.

0:06:35.0 C. Binder: Greene County, I think.

0:06:36.4 Chairman: Yeah. Yeah. Right.

0:06:38.2 J. Morris: Nothing to report, sir.

0:06:45.5 Chairman: And just like... I've talked to several of the employees, I've been running around collecting emails, talking to different people, just trying to address concerns for the Inboden takeover, and also just get as much information as possible. I still have some more employees I'm going to try to get a meeting with and talk to just to get their side of the story. I've been talking to all the board members that we've met with the various employees and exchanged what I've... The information I've gotten, information they've gotten, so I'll try to put something together so that I can get that to Mr. Morris and Ms. Cleveland too, so they just kinda know what a general synopsis of what's been going on, and that's my report. Moving on, consent agenda.

0:07:39.8 C. Binder: I'll make a motion to approve the consent agenda as presented.

0:07:44.2 J. Morris: Second.

0:07:45.6 Chairman: Have a motion made and seconded. All those in favor?

0:07:47.9 C. Binder: Aye.

0:07:48.5 C. Cleveland: Aye.

0:07:49.5 J. Morris: Aye.

0:07:50.1 Chairman: Chair votes aye, motion carries. Report from the County Attorney, Ms. Lackey?

0:07:57.0 K. Lackey: I don't have anything to report publicly other than the discussion likely to be had in closed meeting. Thank you.

0:08:06.1 Chairman: Thank you, Ms. Lackey. So for our first move, we're going to the action items, Change Order number one for Fairview Beach Outfall Replacement.

0:08:16.1 Megan Pitts: Good evening, Mr. Chair, members of the board. I'm here before you this evening in reference to Change Order Number One associated with the Fairview Beach Wastewater Treatment Plant Outfall Replacement. As you know, the outfall at Fairview Beach Wastewater Treatment Plant was replaced. After excavation, the existing pipe material was found to be different than expected prompting the crew to replace an additional elbow to repair the outfall correctly. Additionally, due to conditions along the shoreline, more shore armoring was deemed necessary to ensure longevity of the repair. This will be covered by the \$16 million line of credit. And so with that, I would request that you authorize the General Manager to execute Change Order Number One for the Fairview Beach Wastewater Treatment Plant Outfall Replacement Project in the amount of \$4101.79. With that, I'm happy to take any questions.

0:09:08.3 Chairman: Are there any questions? Do I have a motion?

0:09:15.3 C. Binder: One second... I'll make a motion to execute Change Order Number One for the Fairview Beach Wastewater Treatment Plant Outfall Replacement Project in the amount of \$4,101.79.

0:09:43.2 C. Cleveland: Second.

0:09:45.5 Chairman: We have a motion made and properly seconded. All those in favor?

0:09:49.4 C. Binder: Aye.

0:09:50.6 C. Cleveland: Aye.

0:09:51.7 J. Morris: Aye.

0:09:52.4 Chairman: Chair votes aye, motion carries.

0:09:54.1 M. Pitts: All right. Thank you very much.

0:10:00.1 Chairman: Moving on to presentations and reports. First up is a report from County Engineering Department, Mr. Bryce Young.

0:10:13.9 Bryce Young: Good afternoon, Board. Just a quick list of reports or projects and how we're doing on those. Our Courthouse to Circle Interconnection Project, engineering work is on the way, and preliminary alignments are being reviewed. Courthouse to Canterbury Interconnection Project, engineering surveying work is on the way and hopefully have some plans to review soon. Arnolds Corner Well Replacement, plans are under review and being prepared for the bidding process. The Saft Well Replacement, preliminary engineering work is on the way. Purkins Corner Wastewater Treatment Plant Decommissioning, engineering work is on the way. Preliminary engineering work has been submitted, design work is beginning. Dahlgren Wastewater Treatment Plant Sludge Pond Decommissioning, we're in the processing of... In the process of issuing a Notice to Proceed, awaiting on some consistent dry weather so that that project will go as smoothly as possible. The Fairview Beach Wastewater Treatment Plant Pipe Outfall Project has been substantially completed. Any questions?

0:11:40.6 Chairman: Yeah. The only one is do we have... When is Oakland Park Decommissioning gonna be rolling in? Or do we have any idea 'cause one of the priorities is getting those plants decommissioned and rerouted to Hopyard sooner rather than later, they're just expensive. So I didn't know if we've started that process yet or where it is.

0:12:11.4 B. Young: With that project we are still working on funding and putting that into the ultimate plan. I can figure out exactly what year we have that in the CIP or the beginning of that project in the CIP and get back to you, if you'd like?

0:12:31.4 Chairman: Yeah, I'd like to see that 'cause I have a strong feeling that if we decommission both Purkins and Oakland Park at the same time and do all the re-routes, it'll be a lot more cost-effective than if we do it piecemeal where we do Purkins, and then we do Oakland Park, and then we... I think you could probably get a better deal if it's all in one shot. I don't know what it'll cost overall, but that's kinda... I think if you got one contractor to do it all in one shot, I think, we'd probably save quite a large sum or money. It's just something I'm interested in seeing how much it's... If you did them both at once and how soon we can get it done, 'cause the sooner those two are offline the better, basically. So yeah, an update would be good, just to know where that is in process.

0:13:21.9 K. Lackey: If I may, Mr. Chair. Mr. Young, the CIP list that you sent me earlier today has it as fiscally year '24 proposed.

0:13:30.6 B. Young: Thank you.

0:13:32.0 C. Miller: And I think as a follow-up to what Ms. Lackey indicated and what Mr. Young and I are obviously aware of is we're working with RK&K on developing an affordable project, if you will, 'cause it's some big numbers to do them, not necessarily at once, but to do them in the sequences that we had planned, it's still a significant amount. And I think one of the issues that the RK&K folks are looking at is the nutrient levels, and at what point do you have that taken care of for hop-yard? Is it at the time that Purkins comes in, or is it at the time when Purkins and Oakland Park would come in, and so cost savings would be to do it at the latter end with when Oakland Park is ready, is that correct? That's kind of what we're debating right now, or that's one of the internal discussions with the engineers.

0:14:33.2 B. Young: It is. It is.

0:14:37.7 C. Miller: So yes, I think that what we'll do is we'll go back and with Mr. Quesenberry and Mr. Young and with RK&K folks, and we'll get an update on the decommissioning where we stand, 'cause that was where we were working through some things and then we could have another special presentation on that.

0:15:00.5 Chairman: Yeah. I think it'd be helpful. And I understand the sequencing for cost-effectiveness, I'm interested to see if sequencing or doing it all at once would be more favorable because you're talking... If you can save 5% on the many millions of dollars, we're talking about, 5% is a lot of money in this case, doing it all at once. I know it's hard to get that money up necessarily, but it may be something to look at for the cost savings in the long-term for our customers.

0:15:33.4 B. Young: Absolutely. I will look into that and get you some more information regarding possible cost savings in that aspect.

0:15:39.6 Chairman: I appreciate the updates on everything else as well. Thank you.

0:15:43.6 B. Young: Thank you. Any more questions?

0:15:45.7 C. Binder: Purkins Corner, do you have a timeline for decommissioning?

0:15:53.8 B. Young: I'm bad at remembering these things off the top of my head, so if you... If it's okay with you, I can...

0:16:00.9 K. Lackey: If I may interrupt, 'cause Mr. Young sent me some information that he doesn't have at his fingertips, but he did send me this morning. The proposed budget shows half-funded in fiscal year '24 and half-funded in '25 for Purkins.

0:16:16.5 C. Binder: So over a year to decommission. My concern is the cost for especially Purkins keeping it up and going, knowing that we're decommissioning, it would rather be sooner rather than later to make these adjustments.

0:16:31.0 C. Miller: Yes. I believe that the Purkins Corner was... And this is initial, it may change now, but Purkins Corner was like a three-year project. There's a three-year commitment on a decommissioning, you have the upfront stuff and then you have continuing costs until it's done, but they're making good progress, but obviously no infrastructure is being put in or anything like that. Is that something that we need to... I guess we'll be able to provide that information when we come back with some things, if that's changed, but right now I understand your point about the operations of Purkins. And I know Inboden has said, and I think that's where Mr. Parker's comments are coming from, is that the sooner you could get those two plants offline, then big energy savings for the Service Authority.

0:17:33.5 C. Binder: I also just wanted to know for DEQ also, they understand the time line and they're okay with the time line if it's gonna take a little longer to be taken offline. And then is the cost factored in also the clean up after the plant is decommissioned?

0:17:50.9 B. Young: Yes.

0:17:51.5 C. Binder: Okay. So that will be all in the estimate of the cost in the end. Okay, thank you.

0:17:58.8 Chairman: Are there any other questions for Mr. Young? Thank you, I appreciate it.

0:18:03.9 B. Young: Thank you.

0:18:07.3 Chairman: Moving on to our next presentation will be from Economic Development & Tourism, Mr. Nick Minor.

0:18:14.9 Nick Minor: Good evening, Board members. Nick Minor, Director of Economic Development & Tourism. I'm here to answer some questions, I believe. I could also give you a synopsis of water and how it's critical to Economic Development, whichever you prefer.

0:18:36.1 Chairman: I think start with the water and how it's critical to Economic Development, and then we can move into kinda asking some questions just in general about how the... I'm sure how rates and whatnot would affect the Economic Development.

0:18:50.6 N. Minor: Well, I think so, I had a game plan here, but I think what I'm gonna do is start with projects that we haven't been able to compete on because of water. So I'll start with the project Glass House. This is a multi-million-dollar capital investment, basically a smart ag facility. Phase one of that project would have required 90,000 gallons per day. The wastewater for that on phase one would've been 60,000 gallons per day. I'm not aware of any facility that we have that could handle that much water currently. So we were immediately eliminated from that project. And that's not even going into what phase two of that project, which would have been, which went in the hundreds of thousands of gallons per day. That was about a 240-job project. Then there's Project Leaf. Project Leaf is a greenhouse, \$70 million project built out over multiple years, 10-acre phases, and public water was a must. Now, they didn't give us the specifics on water usage, but given the scale and the investment, we're out of that project as well. There was Project Beetle that was a R&D and processing and testing facility, again, heavy water usage. And so the... Well, it's not necessarily... In this instance, I think we were out because of the treatment side of it. So they use

water in their R&D and in their processing and I don't think any of our facilities are at a classification in which we can discharge certain materials into those treatment facilities. There was Project Atlantic. So this one is a bit of an extreme case. It was a food processing facility, but it kinda gives you guys an understanding of what type of projects come down the pipeline. And their requirement was 120 million gallons per day. So there's not a whole lot of area, there's not a whole lot of metropolitan areas that can take on this project. But these are the type of projects that come through and if you don't have the ability, you don't have the capacity, then you're automatically out. You're eliminated. Then there was Project Raven. This was a \$1.2 billion capital investment project, 300 jobs, so low impact. Their requirement was 450 gallons per day. Wastewater was 113,000 gallons per day. Then the last one I have on here is Project Material, which was a project that we could have competed on. It was a low water usage, but it was landfill adjacent. So the story here is that the projects that we can compete on are obviously low water usages, but it's really not the jobs that we're trying to attract here, right? The ones that we're looking for are high capital investment and low impact and they do require, in some cases, a lot of water or a significant amount of water. So that's sort of over the past year and a half or so, the projects that we were disqualified for just on the basis of water.

So I wrote down a few things that we're up against from a water standpoint. So connection fees are one. I think we're all aware of that. The most recent headache I heard that had significant investment was Finish Line Environmental, but I believe the EDA offset that project. That was a \$40,000 connection fee and they offset it by about \$20,000. That's in the industrial part. The other one is capacity. Currently, Dahlgren, which is our major commercial area, I think their capacity is 47,000-49,000 gallons per day. And having a major commercial area with that... No. That limited water capacity can really hurt us in the future. Went over that. And then the other thing is, I'm not sure what the Service Authority's ability is to react quickly to capital projects, but speed to market is crucial in Economic Development, so being able to borrow money, do a capital project to extend water and sewer, most projects need 18-24 months to be operational. It's almost a dead-on requirement. If you can't get water and sewer to a location, to a site within 18-24 months, there's a locality that can and you're immediately non-competitive and you're eliminated from the site selection process. So in Economic Development, again, it's a site elimination game. It's not a site selection game. You can have the best site in the world, but if your timelines... If you can't meet their timelines, you're eliminated from the process. So with that being said, I'm happy to answer any questions. Again, there's a lot of nuance to these projects and a lot of things that can go wrong, but that's just only speaking on water.

0:23:47.9 Chairman: So are there questions from Mr. Minor?

0:23:52.4 C. Cleveland: Hi, I have a couple questions. Thank you for coming and talking to us about this.

0:23:56.3 N. Minor: Absolutely.

0:23:57.4 C. Cleveland: Okay, so it sounds like this is gonna be a major problem for the considerable feature considering that we need to have surface water in this area, especially. Okay, so when we talk about acting quickly, the amount of money that's needed, perhaps probably a considerable amount of money, 'cause we ourselves need to take care of our clients of the Service Authority, with the amount of surface water and our growth in our county. Is there a way that you can partner with a private investor that would be interested in partnering with the Service Authority to develop some of this stuff and actually receive money for helping us do that? Is that something

that you talk about?

0:24:48.7 N. Minor: Yeah. So you can negotiate those type of incentives, those deals in which you can have them put in the infrastructure, but then you have to give that money back to them in the form of an incentive over a certain period of time. So if that project is a \$5 million project and the project to extend those water lines to them or update that treatment plan or build that capacity as a \$5 million project, then you need to figure out a way to get the \$5 million within a certain period of time. So let's say that that business, it's a significant Economic Development project, then any tax revenue that you get is new money, so it's not hitting the existing taxpayer. So you use that new money to essentially give it back to them to pay for the cost of those infrastructure improvements.

0:25:40.7 C. Cleveland: So thinking about it a different way, not the actual company that wants to use those facilities, but an actual company that maybe can make these different improvements and invest from a long-term perspective, knowing that you need to have this done very quickly. For example, I just think of just different companies like Aqua for example, is that somebody that would come in and do something like that and partner with the county to expand their reach for Economic Development?

0:26:13.5 N. Minor: So I've never... I don't know of any specific deals where they've done that. So I would say this. I'm not sure if Aqua is a publicly traded company, but they have a profit motive in what they're doing right? So let's just say that they can't borrow that money, they're not in a position to borrow that money, then that project dies. Same thing for any public operating entity. However, a public operating entity can think much long-term rather than a private company. So to me, that's the only disadvantage. A private company will probably pick a little more short term where when you're in government, you have the benefit of thinking 20 years out. Why is this extension good for everybody? Well, we know we're gonna grow this portion of the county over the next 20 years, so let's extend the lines now. We'll have this project offset it, and then this will offset it for everybody else in the future." I'm not sure if Aqua... They may have that type of long-term thinking, but maybe they won't.

0:27:10.8 C. Cleveland: Yeah, and I don't mean just them. I'm just giving an example of something like that.

0:27:15.2 N. Minor: Yeah, right. It's one of those things where if you're... It's a mindset thing. Do you wanna have control, or do you not wanna have control?

0:27:25.3 Chairman: So there are Economic Development projects right now that are looking at helping get surface water, let's put it that way, 'cause it would benefit them, and then us in the long term. So there are projects that are looking to do that partnership. But as Mr. Minor indicated, they're going to need their money back in a reasonable period of time. Generally, people want a return on investment in five years, otherwise they can go put their money somewhere else. So somehow we have to give that money back to them and usually that means they get the water for free or something else, there's a tax break involved at the county level. So there's a number of things, but there are several people looking to help potentially get us onto surface water in the not-so-distant future.

0:28:23.3 C. Binder: Mr. Minor, I've have been on several meetings about Economic Development projects and it's not just water, we also have natural gas issues because a lot of businesses...

0:28:31.0 N. Minor: Absolutely, yeah.

0:28:34.6 C. Binder: And then the biggest thing that's a challenge is the restrictions we have being one of the heavily restricted locations in Virginia and the country because of the Chesapeake Bay Act. So that is a concern too, correct, in marketing and getting the water?

0:28:46.8 N. Minor: Right. So it is a water management area, but it really comes down to, if you have overall water tap, that's obsolete at that point, but you just can't drill as many wells or the wells that you need. So there are some projects that come in and they want to be on well water. Anything green house, if they have a preference, they wanna be on well water. But there are other ones that are required to be or must be on public utilities. They only want the government to be able to provide the water.

0:29:15.4 C. Binder: So they don't want a private entity. They would like a government entity.

0:29:18.8 N. Minor: They don't really specify. I think for them, it's about reliability, a consistent service.

0:29:22.0 C. Binder: Gotcha.

0:29:25.3 N. Minor: And no company... I'm not gonna say no company. There are companies that wanna be in the water business, but not many. Right?

0:29:31.4 C. Binder: Okay, thank you.

0:29:36.2 J. Morris: Can you speak about proffers? What's available, or how does things work nowadays? At one time, it used to be that projects coming down the pike, you wanted to build a subdivision of X number of houses, you had to put in the water, you had to put in the sewer, or after you built so many housing units, you had to build an elementary school or a park or for a fire house. So do we still have any kind of proffers on the books? And if we do or don't, why?

0:30:14.5 N. Minor: So I think the informal answer to that question is like a CIP, a capital improvement project list that we put together as a locality, but I don't think a locality can directly ask for proffers. I think that's maybe against the law now, Ms. Lackey?

0:30:30.2 K. Lackey: Yeah, I can fight a little bit of... I don't know specifically of any existing proffers to the extent your question addresses existing proffers that might not have yet come into fruition. But the proffer laws have changed particularly as to residential to be more restrictive. For residential developments, the proffers have to be specifically attributable to that development, so that's when you see lots of accounting analysis of how they impact your schools or how they impact your parks or transportation, so rather than getting... For example, you might not get a whole traffic light system, but you might get a fractional share of the cost of some needed traffic improvement, for example, depending on the scope of the development, there's a little bit more leeway with commercial developments, but obviously they still wanna make sure that their investments are sound and they don't wanna be investing in things that are not helping their own development, their own success, but that's not to say that if you get one major Economic Development project, they might install some infrastructure that could benefit other users potentially.

0:31:48.6 N. Minor: Right. For Economic Development, it's a little bit different, Mr. Moore. You're supposed to be courting them, you're supposed to be telling them what you could do for them. That's not supposed to be the other way around. So again, it's a different mindset. Housing developments are different. You put in 500 single family homes, well, that's at least two extra cars, that's two extra kids, that means you need to hire more police officers and more firefighters, more teachers. Economic Development, it's just jobs, right? It's jobs and investment. Their impact on the public infrastructure is not as significant. So you have to think about those projects a little bit different. Now, if you're gonna talk about a transportation project, a logistics project that's gonna add additional 750 trucks per day on your roads, well, that's different. There needs to be a different traffic light, there needs to be an updated entrance off of Route 3 or 301. But those are... That's a... Logistics is a different ball game than I think some of the things that we're trying to attract. Again, rural county, in order to keep it rural, you need high capital investment and low impacts.

0:33:02.6 Chairman: Are there any other questions?

0:33:07.1 C. Cleveland: Were you going to talk about the fee increase, or do you want me to ask a question about that?

0:33:12.9 N. Minor: Sure.

0:33:13.1 C. Cleveland: Okay. So I think what had prompted you to come here was because I was asking questions about how our new contract, knowing that our fees are gonna increase at the minimum of 10%, and then including the 4% would be 14%, not including all the other improvements that need to be made and the idea that we need to go onto surface water which is also gonna be considerably expensive as well. So we are the third most expensive water in Virginia and I'm just thinking, my independent thinking, that it's probably gonna go up right? So when you have somebody who's considering to invest, especially in a water project, would that have an impact on their decision to come here if they could say, "Go to Spotsylvania and have a bill that is 50% lower"?

0:34:09.8 N. Minor: So I think the rates, I've never gotten a complaint about rates. The new one hasn't come out yet. I've always gotten complaints about fees, connection fees. The upfront fees are the ones that can kill us. If you're a small business, or if you're a small business owner or if you're an entrepreneur, those upfront costs can crush you. You don't have the same capital that your larger chain restaurants have, or your Fortune 500 public companies do where that's just a cost of doing business. Fees, government fees, that's... They probably write it off, right? It's not an issue for them. But if you're a small business and you have a great idea and you're trying to get it off the ground, every little bit counts. So connection fees is where I hear about the pain. The rates, I've never gotten a call on it. It's always... The one comment I've ever heard from a business owner was, "It was a little higher than we expected, but it's okay." That's the only comment I've ever gotten about rates. Connection fees is a different story. So it could be a project killer, really.

0:35:16.0 C. Miller: And I will say that Mr. Minor and Mr. Young, and then also Ms. Norris-Barker, we're gonna be working on looking at those connection fees 'cause of that instant... The initial reaction that we have with businesses that might be interested in coming, Chick-fil-As, Chipotle, whatnot. We need as much specificity as we can about what their capacity is or what their volume, their consumption is. And so we... I think Mr. Minor's correct that when we don't have

those kinds of answers immediately, it can deter folks from coming. And so we need to do an overhaul or a look at our regulations and see where are we in terms of a competitive perspective with other communities.

0:36:10.9 N. Minor: Mr. Miller... May I give a quick example, Mr. Parker? So what they call the seat tax, I'm sure you've heard of this, for restaurants. So restaurants is about 35 gallons per day, per seat. And if you add all that up, and then you put on... I think there's also a debt fee also to that. It's significant. And that's a... For a county, I hear it the all time, "We need more restaurants. We need more restaurants." Well, that doesn't help us. And do restaurants use 35 gallons per day per seat? I don't know, but I think that's what Mr. Miller and Mr. Young and myself are trying to figure out if that standard of use is correct or not, 'cause it may not be.

0:36:58.8 Chairman: We did talk about this earlier, but I would say the standard use is probably incorrect. If you look at the standard of use for a house, it's insane, it's something like 350 gallons or something like that. Almost no houses, even the big ones in Hopyard get close to that kind of number. They're usually half of that with all the efficient equipment and whatnot these days. So I think we have the numbers that we could honestly pull a... Talking to Mr. Miller, I think we can honestly pull a chart together for you that says, Wawa style gas stations or Sheetz style gas stations, we have a number of them in the county but hey use about this much. So if somebody else comes in, you know you're gonna use about this much based on similar usage, or we know what Wendy's and all these other restaurants use on a regular basis. We should be able to figure that out give you some better ammunition to go out there with it and be like, "No, this is really where you're gonna probably end up, with what we're seeing in the county."

0:38:02.9 N. Minor: Yeh. And I know I listed a bunch of projects that we didn't compete on, but the list of projects that we do compete on is just as significant. I tell everybody this, businesses do wanna move in King George County, right? We are a place that they wanna be in. We just gotta do a better job of basically making ourselves competitive and streamlined in some of those processes.

0:38:32.0 Chairman: Are there any other questions? Thank you, Nick.

0:38:36.0 N. Minor: Thank you.

0:38:39.4 Chairman: Moving on, General Manager's report.

0:38:41.1 C. Miller: Thank you, Mr. Chair. So let me, I guess, let me dive in to the two questions that were specifically asked. First, I'll do the easy one. I'm gonna have to get you the report information on the nitrogen levels and the nutrients. I can get that and we'll provide that for you all so that you have that. Do you have it?

0:39:06.0 C. Binder: Yes, I do. Can we get that monthly like we used to for each of the plants? 'Cause that was... Even though, as I said last meeting, even though it was kind of boring, it was very vital and important. And now I realize that that it was good to see those numbers and how it was affecting the year, what the permit allows for the year.

0:39:24.0 C. Miller: Sure. Yeah, we'll get that. But the going to the question of the interview that we had in February, I'll probably ask Mr. Metzler to come up and give an overview as well. But so at the time when there was a possibility that the board was going to not go down the avenue of a

contract with the wastewater and the water services, we were obviously trying to figure out what our operational situation would be. The difficulties of trying to get a Class 1 operator or give the existing staff the opportunity to go take the test for a Class 1 operator were quite challenging. And so I think Mr. Metzler had been contacted, did an interview with Mr. Quesenberry. The gentleman was with the Rap... So the way I understand it, he was with the... There was a Rapidan Regional Service Authority, which is a two-county operation. Greene County broke away. He was working with Greene County, and I think he indicated that he was interested in coming here. He was not going to move here. And it wasn't that we weren't interested is it was that if that worked out, we would have hired him. And then that would have been Inboden's ability to take him or not. But we explained the situation. We had conversations with him Inboden 'cause, at the same time, if Inboden was going to get the contract then we wanted to make sure there was... They had access to that person. They indicated that go for it. And then I think it just, it never materialized. Is that a fair way of saying that?

0:41:27.3 Derrick Mestler: Yes. Like Mr. Miller said, in preparation of which way we're gonna go with your decision, I started exploring Class 1 operators, put a posting back out there late January. And after a couple of weeks sitting out there I had one Class 1 operator apply for that. I did a phone interview with him. He was from Greene County. And he had years of experience as a Class 1 not with all the different types of plants that we have here. So while he had a Class 1, he didn't have 100% experience with all the different types of plants we had here. So he was one that we were interested in talking to. We didn't...kind of the board was trying to figure out which way we were gonna go. And we had some open dialogue with him. When the board decided to pursue a contract, I had more dialogue with him about who the contract was with. And he indicated that he would still be interested in talking. He had no intention of moving to the area. He'd have over a two-hour commute on a daily basis. So that was something we would have to weigh with that practicality or not. Would DEQ allow that or not, et cetera? We didn't get down that path. Inboden did reach out to him. And after he said he was interested; I gave Inboden the information. And at that point, I'm not sure if they had any conversations or not. But in looking at just being prepared as a county for which decision, which way we were going to go, as Mr. Miller said, if Inboden was gonna get the contract, they would look for a Class 1 operator. So I feel like if we needed one, I feel like we could get ahead of the game on both fronts by putting a posting out there. And it was unlike before when a posting went out with the county where no Class 1 operators, one popped up. So we did pursue that and didn't let that die.

0:43:36.1 C. Cleveland: So I have a couple of questions about that. So you put the posting on in December and we got a Class 1 operator, even though we have been talking for two years saying that it was impossible to get a Class 1 operator. Am I understanding that correctly or is this a different operator type?

0:43:53.9 C. Miller: So the wastewater manager position has been open since the wastewater manager in 2021, I believe April of 2021, was no longer with us. So that position has been continually advertised. The Wastewater 1 operator, Mr. Weakley was using his wastewater operator certification to serve in that capacity. And then when he left, of course, the Inboden contract was to provide that. And that's what they were doing. We were still looking, we were still looking for that. We were in fact trying to work with our existing personnel. We offered the opportunity to the existing operators, the lead operators, if they wanted to fill that role. And I think the challenge that they go through is the difficulty of passing the test and also finding the time to study and... Properly study and prepare. And while they're also doing their job here. And so I know with our existing

personnel, we definitely supported their efforts to try to become Wastewater 1 operators. And it just didn't work out that way. So yeah, we were looking for it all the time.

0:45:20.5 C. Cleveland: So I have another question. Did this candidate have any management experience?

0:45:27.0 D. Mestler: Supervisor experience of one or two people, but not as a full-blown manager of different areas, different departments or anything.

0:45:43.8 C. Cleveland: Thank you.

0:45:48.2 Chairman: Are there any other questions associated with that?

0:45:49.8 C. Binder: No, I'll wait till the end of his report and then I'll ask my questions.

0:45:52.0 C. Miller: So a couple other things. I had a meeting recently with the public utilities director in Caroline County and the county administrator in Caroline County. They are... Essentially their permit for the intake and for the surface water that they're working on is essentially complete. There's a couple more things they have. However, they informed us that because of the uncertainty of what we are wanting to do, they've got to push forward. However they have indicated that we could come in after they get their permit. We could come in and establish a partnership with them. The plan is to have an intake valve that would go in around the Moss Neck area is my understanding. And then that would then put... Our area of an intake would be maybe in the Farley Vale, near that area. So what I have asked is if they would want to come to the board and update you on what the status of their project is. And so I will reach out to them if you're interested and have them give a presentation on what they're doing. It's a \$200 million project and they are obviously looking for partners. And so I would think that that is an option that we still have very much on the table. And in fact, going this route may be a better route for them as well as us because we will have to do a study obviously associated with this source of water. But it doesn't slow them down. And so I think that was their concern that if they included us in their permit with DEQ, then that would have slowed them down.

Second thing is Walnut Hills, we had a meeting with the Walnut Hills developers and Mr. Young and Mr. Hoagland are gonna work with them in terms of the existing infrastructure and the existing relationship. But there will definitely be a whole new agreement that's gonna come out of that. And we'll start working with them on that. So that's coming in the future. As you remember, they initially had 42 lots. They've now got 100 lots. Some of which are townhomes. So there is a kind of a completely redone proposal that they have. As I mentioned, we're gonna be looking at our regulations in terms of how we do the connection charges for commercial businesses 'cause I do think that that's something that, as Mr. Minor indicated, that is a question that always comes up. And it's something that... Ms. Norris-Barker is a lot of times the initial contact. And without the specificity from developers or from engineers, we have to quote them the highest number. And that becomes problematic. And so we know that that's a challenge in terms of attracting businesses. And so we want to come up with a more uniform approach and maybe spell out the details a little better than maybe that we're doing right now. But anyway, we understand that's a concern.

Budget. I would hope that the next step that what we need to do is to get with Mr. Laux from the Davenport folks and kind of plug him in to when we could get him before you and start talking about where the revenue structure would be, what some of those opportunities are that we have with rates and how we can address that. Obviously, the decision about the contract has been made. And

so that will be channeled into future budgets. But I was hoping to maybe be looking at the latter part, mid to latter part of April. The Board of Supervisors meets on Thursdays. So y'all just kind of give me an idea when you wanna do it. I know... Did we meet last year... on the Tuesdays? I can't remember if that's what we did last year when we did the budget?

0:50:45.3 Chairman: I think Tuesday's been where... We can take a look at, take a look at that.

0:50:48.7 C. Miller: And I know we met at the Sheriff's Office. And I know that if we get with the sheriff in enough time, then there's certainly availability for that room to be available. The other thing is, I think you do need to be thinking about any Budget Committee Members that you want, Citizen Advisory Committee Members. And if you have any let us know and we can appoint them or get them notified. But if you could be thinking about that, when you want to do that, I know Ms. Hahn is not here, but... Oh, she's in the back. Okay, she snuck in. So that's a lot of what... We're working on the Board of Supervisors budget right now. But is mid to late April, pretty good time to begin? Oh, she's gonna come up. Okay. All you have to do is give me the thumbs up.

0:51:45.3 Donna Hahn: So I know at your... Good evening, Mr. Chair, members of the board. So I know at your last meeting you talked about the reorganization of the Service Authority after this Inboden contract. And so that's one of the things that before I can really get into the nuts and bolts of the budget, I need to see what it's going to look like so in order to budget. So as soon as we can get that rolling right, following that, we can possibly get started. So it could be mid-April, but it could be closer to the first part of May.

0:52:23.1 C. Binder: That was one of the questions I was gonna ask. If we firmed up the date for the committee. And also I was gonna put out there, I have some questions that I'm gonna pose to Ms. Hahn and yourself, Mr. Miller, when we talk about the restructuring so that I'll give you the questions ahead of time just so I could get some more information.

0:52:42.7 Chairman: So yeah, to just kind of, I think if I read through all the emails correctly, I think the morning of Tuesday, the 28th works for everybody.

0:52:51.3 C. Binder: Yeah. I just have to do it before noon.

0:52:54.4 Chairman: Yeah. So is there a better time in the morning?

0:53:00.4 C. Miller: I'm good whenever, but I think the... Were you good? We're good.

0:53:04.2 Chairman: What time do you guys want? I can do it as early as you want.

0:53:11.0 C. Miller: We can do it at 8:00 AM in the morning and...

0:53:12.6 C. Binder: No, that's too early. I have to do 9:00 AM. I have to take my daughter to school, sir.

0:53:14.6 Chairman: 9:00 AM, okay, better, 9:00 AM. We'll plug it in at 9:00 AM.

0:53:15.2 C. Miller: 9:00 AM? On Tuesday, the 28th?

0:53:22.4 C. Binder: So this Tuesday at 9:00 AM. And I'll send you those questions tomorrow.

0:53:29.9 C. Miller: The only other thing would be your to-do list and just the update on the to-do list. Obviously, as mentioned by Mr. Young, the Fairview Beach Outfall is complete and so that's now been moved to a completed project. And then the other projects have been updated as well. And Mr. Young gave you those updates, but we will make any kind of changes to that. I think another one, obviously, I think a new one would be the restructuring committee. And so I'll add that as a new project or new activity. And we'll go... We can provide updates on that.

0:54:18.8 C. Binder: I did have my couple of questions. Looking at the Board of Supervisors packet there is at least four projects that are going to be on county sewer and water. So because of some concerns, especially with the pyramid health care and water, would it be possible to give a report for the board like each, I guess, maybe water system that we have, like how much capacity is on it so that when we look at these projects, we know what capacity is available, because I know on that Hill you mentioned, there's Courthouse Commons, there's... Which is Founders Hill, there's a couple others, I forget the names of them, but they were all in our packets. So that is a concern of mine. Another one is, do we have any report from DEQ on our consent order?

0:55:02.3 C. Miller: Yes.

0:55:03.2 K. Lackey: Yeah, I can speak to that. We actually met with DEQ today, Mr. Miller, Jessica Washington and I and we have some developments that we want to share with you all, but we do need to get some more internal information before we make a recommendation, but that should be forthcoming. Likely, your next meeting we'd probably be prepared to discuss.

0:55:29.6 C. Binder: And then my last question, and I've looked at information that some employees shared with me and the timeline of hiring employees that left and came back, I know it was very fluid, but it's been very fluid since August of 2021. Could you give us a little more insight on was it the Inboden contract that was sort of out in the air? We didn't really... Or was it a lack of applicants? Can you give me a little more information?

0:55:54.8 C. Miller: In reference to?

0:55:57.1 C. Binder: We had quite a few employees leave and then not being able to replace them.

0:56:02.2 C. Miller: The hiring of wastewater employees?

0:56:02.8 Cathy Binder: Wastewater employees, mostly.

0:56:05.6 C. Miller: Right. So you definitely had some situations where we had some turnover and we did hire some folks. I think getting people in at the level that some of the employees that were... That left was a difficult challenge, and it was not something that was... We were meeting with much success. I think I shared that the general... The manager position for wastewater has been unfilled, and we have gotten rarely any kind of... I think we interviewed one or two people for that. And then we looked internally, and that was a possibility. But then we had two of those employees that left. And so we have done our best, I feel, to get those positions hired. I don't think there was ever any intention that unless you had a contract with Inboden, for Inboden to operate this thing beyond what the operator in charge contract said, Inboden never was standing and... Was saying, "Well, don't

hire these people, we'll do it." They were never doing that. They were always in a position of advisory role, and we were on our own to find those people. And so that was the challenge. Clearly we had a lot of times where we were operating with the same folks working seven-hour or seven-day shifts and doing incredible service for this county. And I applaud them for that. But it just was one of these things I think that Mr. Mestler shared that 60% of your employees had less... Just over a year's service and were trainee levels. And it's just kind of the situation is we weren't able to attract enough people to come in here from other counties who might be paying \$3 to \$4 to \$5 more an hour for an entry level operator to come in here. And that's kind of the situation. I mean, when you have people that you're competing against who have the opportunity to work at Sheetz or... I'm not disparaging anybody at Sheetz but obviously that's a more transient type of a job, of an entry level job. And we're hoping that these people want to stick with us on wastewater operators. That's a difficult challenge. One of the things that we did was incrementally bring up the salaries of the entry level wage for wastewater operators and mid-level or whatever we could do to try to get us competitive. But we still were running into that challenge.

0:59:13.9 C. Binder: Thank you.

0:59:17.7 C. Miller: That's it.

0:59:19.4 Chairman: Are there any other questions for Mr. Miller? All right. Moving on. Looking for a motion.

0:59:29.5 C. Cleveland: I move that the King George County Service Authority Board of Directors convene in closed meeting to discuss a pending adverse permitting outcome and potential for private legal action pursuant to Virginia Code Section 2.2-3711 (A)(7) and (8) for consultation with staff and legal counsel regarding actual or probable litigation where such a consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the public body and specific legal matters requiring the provision of legal advice of counsel. I invite the County Administrator, County Attorney, Assistant County Attorney and Principal Engineer because they are deemed necessary and/or their presence will reasonably aid the Board in its consideration of the topics to be discussed pursuant to Virginia Code Section 2.2-3712 (F).

1:00:29.9 C. Binder: Second.

1:00:32.2 Chairman: We have a motion made and seconded. Let's have a roll call vote. Ms. Binder?

1:00:37.1 C. Binder: Aye.

1:00:39.7 Chairman: Ms. Cleveland?

1:00:42.6 C. Cleveland: Aye.

1:00:45.4 Chairman: Mr. Morris?

1:00:47.1 J. Morris: Aye.

1:00:49.7 Chairman: Chair votes, aye. We are in closed session.

[Pause]

1:00:50.0 C. Cleveland: I move that the King George County Service Authority Board of Directors return to public meeting and certify by a vote only public business matters exempted from open meeting requirements by Virginia law and only such public business matters as were identified in the motion convening the closed meeting. The closed meeting were heard, discussed or considered during closed meeting.

1:01:01.9 C. Binder: Second.

1:01:05.2 Chairman: We have a motion made and seconded. Roll call vote. Ms. Binder?

1:01:10.4 C. Binder: Aye.

1:01:12.8 Chairman: Ms. Cleveland?

1:01:14.9 C. Cleveland: Carrie Cleveland so certify.

1:01:16.6 Chairman: Mr. Morris?

1:01:18.6 J. Morris: James Morris so certify.

1:01:20.4 Chairman: Allen Parker so certifies, we're back in open session.

1:01:25.1 C. Cleveland: I move that we adjourn to Tuesday, April 4th, 2023 at 5:30pm in the boardroom.

1:01:30.8 C. Binder: Second.

1:01:32.1 Chairman: Motion's made and seconded. Is there any discussion? All those in favor?

1:01:38.6 C. Binder: Aye.

1:01:39.7 C. Cleveland: Aye.

1:01:40.7 J. Morris: Aye.

1:01:41.5 Chairman: Chair votes aye. Motion carries. We are adjourned to Tuesday, April 4th, 2023 at 5:30 PM here in the boardroom.