

**VIRGINIA:**

At a regular meeting of the King George County Service Authority Board of Directors, held on Tuesday, the 19<sup>th</sup> day of January, 2021 at 5:30 p.m. in the Revercomb Building Board Room at 10459 Courthouse Drive, King George, Virginia:

**PRESENT:**

- Annie Cupka, Chairman
- James Morris, Vice-Chairman
- Cathy Binder, Member
- Carrie Cleveland, Member
- Jonathon Weakley, General Manager
- Neiman C. Young, County Administrator
- Matt Britton, County Attorney

**REMOTE:** Allen R. Parker, Jr., Member

**0:00:02.1 Madam Chair:** And we confirm Mr. Parker is ready online and waiting. Yes? Very good. Thank you very much. I hereby call this meeting of the King George County Service Authority Board of Directors to order. I hereby invoke the Rules and Procedures previously adopted by the Board of Supervisors and the King George County Service Authority Board of Directors, allowing for electronic participation by some members with a quorum physically present. This action is taken as a result of the COVID-19 pandemic and the Governor's orders regarding limiting of gatherings and staying in place during a disaster. Electronic participation is encouraged and pursuant to the Governor's emergency orders, social distancing shall be maintained for all physically present. If you choose to be physically present, you will be screened by authorized staff for signs and symptoms of illness. Based on the results of that screening, certain physical attendees may be denied entry. The following members are physically present:

**0:01:08.0 James Morris:** James Morris.

**0:01:09.4 Carrie Cleveland:** Carrie Cleveland.

**0:01:10.6 Cathy Binder:** Cathy Binder.

**0:01:12.6 Madam Chair:** Annie Cupka. The following members are participating through electronic and remote means after notifying the Chair that temporary disabilities and/or other medical conditions exist that prevent the member's physical attendance.

**0:01:29.3 Allen Parker:** Allen Parker, attending remotely.

**0:01:32.4 Madam Chair:** Thank you, Mr. Parker. I direct the clerk to include this statement and any statement of remotely participating board members to be memorialized in the minutes. And we have Mr. Parker for the invocation, I believe. Mr. Parker, are you still prepared to go forward with that.

**0:01:57.7 A. Parker:** Can you hear me?

**0:02:00.7 Madam Chair:** Yes, we can. Thank you, sir.

**0:02:01.8 A. Parker:** Sorry, the recording started at the same time. Bow your head, please. Heavenly father, please give us the guidance and wisdom to make the best decisions possible for the customers of the Service Authority, as well as the citizens of King George County in general. Watch over all of us and keep us safe. In your name. Amen.

**0:02:25 All:** (Recited the Pledge of Allegiance.)

**0:02:44.6 Madam Chair:** Are there any amendments to the agenda?

**0:02:46.4 J. Weakley:** No amendments, Madam Chair.

**0:02:50.6 Madam Chair:** Thank you. Public comment. Comments will be limited to three minutes per person in order to afford everyone an opportunity to speak. If comments relate to a specific public hearing item, we ask that you offer those comments at the time of the public hearing. Is there anyone present in the audience tonight that wishes to provide public comment? Seeing none. Mr. Dines, do we have anyone participating online that wishes to provide public comment? Thank you, Mr. Dines. At this time, we will close public comment. Move on to reports of members of the board. Go ahead, Mr. Morris.

**0:03:29.5 J. Morris:** Thank you, Ms. Cupka. A pet project interest of mine is alternative energy solutions. And we have an untapped resource in our wastewater treatment plants. So on the 13th, I met with Mr. Weakley and Mr. Hoagland and I showed them some of these new systems that are coming out. One very good example of this is in Versailles, France, where they use the outflow from their wastewater treatment plant to generate electricity that they then put back into running their plant. And we move what we figure hundreds of thousands of gallons of liquid a day in our plants, and this is something I think we warrant some further looking into, and as the need comes to develop new plants, possibly including this technology into the plants. That's it, ma'am.

**0:04:32.9 J. Morris:** Thank you, sir. Ms. Cleveland, do you have a report?

**0:04:37.2 C. Cleveland:** No report.

**0:04:39.7 Madam Chair:** Ms. Binder.

**0:04:41.5 C. Binder:** No report at this time.

**0:04:43.8 Madam Chair:** Thank you, Ms. Binder. Mr. Parker, your report, sir.

**0:04:46.2 A. Parker:** No report, ma'am.

**0:04:48.0 Madam Chair:** Very good, thank you. And I have no report this evening as well. Move on to consent agenda.

**0:04:58.4 C. Binder:** I will make a motion to approve the consent agenda as presented.

**0:05:03.3 J. Morris:** Second.

**0:05:05.5 Madam Chair:** Any discussion? All those in favor say "aye."

**0:05:09.5 C. Binder:** Aye.

**0:05:09.9 C. Cleveland:** Aye.

**0:05:10.4 J. Morris:** Aye.

**0:05:10.6 A. Parker:** Aye.

**0:05:14.6 Madam Chair:** Opposed? Chair votes aye. Motion carries.

**0:05:16.8 J. Morris:** Did you hear Mr. Parker?

**0:05:17.9 Madam Chair:** I believe I heard him, yes.

**0:05:19.5 C. Binder:** He said yes.

**0:05:19.9 Madam Chair:** Yes, thank you. And report from the county attorney, Mr. Britton.

**0:05:25.7 M. Britton:** No report, Madam Chair.

**0:05:29.0 Madam Chair:** Thank you, Mr. Britton. Presentations and reports. Mr. Weakley.

**0:05:34.5 J. Weakley:** Thank you, Ms. Cupka. Online tonight, we have the Director of Public Works for Caroline County. Mr. Schiebel. As you recall, a letter of support came to the governing body of King George. Caroline County requested a letter of support for the permit that they submitted to DEQ. The idea is withdrawing water from the Rappahannock River. Caroline County have some similar concerns to King George County with their water withdrawal. So instead of trying to present their information, I went straight to Mr. Schiebel, very knowledgeable, and I asked him to be able to present tonight. He was kind to present both here and for the board of supervisors about the project. So have a few slides before you tonight, it's about 15 minutes to walk through, but plenty of time for Q&A for the board members to ask questions about the project. So with that being said, Mr. Schiebel, the floor is all yours, sir.

**0:06:34.9 Mr. Schiebel:** Thank you very much. Can everyone hear me?

**0:06:41.3 J. Morris:** We can.

**0:06:41.4 Madam Chair:** Yes, we can sir.

**0:06:42.9 Mr. Scheibel:** Alright. Wonderful. Good evening, Madam Chairman, members of the board. Thank you for this opportunity to be able to come before you and talk to you a little bit about the project that Caroline County is working on to secure a permit on the Rappahannock River to withdraw water. So I've put together a small presentation for you to hopefully answer a lot of your questions and bring you all up to date on the process and procedures and steps that Caroline County has taken at this point to make this project a success. So along with this project, we looked at possibly partnering with and making a regional partnership with King George County, town of Port Royal and the town of Bowling Green. So we were looking to do that four ways. And as we're looking at this project, DEQ has asked for a letter of support for the project. So we had met previously with your staff and reviewed some of this information and talked back and forth, and hopefully we can walk through this. So next slide, please.

So my name is Joseph Schiebel. I've been with Caroline County for 28 years now. I have enjoyed my opportunities that I've had, and I've been here since the inception of us working towards this project. So hopefully tonight we'll go over kind of an overview, give you the project history, what's driving this project to make us move in this direction, permitting obstacles that we've had, and then the local partnerships.

Next. So as an overview. The purpose of the whole project, really for us is to find a reliable source of water for domestic industrial users in the growth areas of Caroline County. So as part of that, we've looked at a raw intake, the water treatment site, and then associated raw and finished water transmission mains and what they would look like as far as putting together our joint permit application. So we'll get into reliable water as we move in a little bit further along, but that was trying to find a not only quality but quantity of water was very important to us.

Next slide. So the overall project was that we're looking at putting the intake on the Rappahannock River. We've looked at a couple of different ways to route water lines to Caroline County, and we kinda got an arrow there going to King George County. That's not necessarily means that that's the way that the interconnection may go. We're lucky that we're in a sediment overlaying area and with new technologies and directional drilling, we would be able to go underneath to the Rappahannock River fairly easy at any point that seems to make sense to King George County to tie into your system. So that does give us quite a bit of flexibility there, just some permitting that would need to be done to provide that.

Next. So the project history and planning. So Caroline county did a notice to proceed to begin this permitting process with our partners, which we're calling our partners right now is our engineering partners are Hazen and Sawyer along with Draper Aden & Associates. They've spent a lot of time putting together everything to get to the point that we are. So part of our process was a project planning. We then turned into meeting with our local partners and talking with them, and this was in the 2017 timeline. As we proceeded a board, we looked at the raw water intake sites and selection. We've got three different sites that we've looked at and submitted on those as we move through the continuation of this. Raw water sampling was done. We did a year-long fish study that was done along with that. We've done bathymetric surveys and data collection that was all done as part of that. We did a huge hydrodynamic, we didn't actually do a true evaluation, we were actually to put together a great analysis of the river and the way that it actually flows, and was very successful in all of our meetings with the state. Other things that we've done is we've done archeological surveys, sanitary surveys, conceptual drawings, and then we presented the JPA to the state, and we're waiting on them to have their public comment period, and then as well as finishing

up the review. So we're hoping in the next six months or so to actually have a permit in hand. Next slide. I'm not gonna read through all of these, but I just wanted to throw this out here, so you all can see how long Caroline County has been working on this. We originally started this process back in 2004, and our big first kickoff, really after our board gave us direction to move forward was a meeting with the regulatory agencies to obtain the initial comments, and then we actually, on May of 2005, submitted for the first permit. Since 2005, we've been having a lot of different meetings. The sanitary survey was completed, fish larvae survey, and moved on through there. And then we ended up with the economic turndown and the project came to a halt.

Next slide. So as we got kicked back up with our engineers, in 2016, we had a pre-application review meeting with the regulatory agencies. So that was a very informative meeting for us, and we were able to present the project and what we were looking for, and we got a lot of feedback from the agencies. When we submitted the first time, we basically put together the permit application, did a few minor engineering tasks, and then we submitted that permit. That permit came back with a whole laundry list of things that we had to get done in order to receive the actual permit. This time we took a different approach. This time, we said we're gonna complete a... Put together a complete package and submit to the regulatory agency, so this gave us a good insight of exactly some of their concerns that they had that might have been different from previous meetings. We had a follow-up consultation meeting with them in 2017. And August of 2017, we actually came to King George County to talk about a local partnership. We met at the County Administrator's Office and met with Dr. Young, Chris Thomas, Travis Quesenberry. We brought our engineers from both Draper Aden and Hazen. Myself, my assistant county administrator, we came to talk about a possible partnership and what that would look like just from a brief overview, just trying to see if this was something King George County might be interested in, and we got a head nod, "Yes, this might be something that we were interested in." So we didn't take that as, "Yes, you're our partner." We took that as in you're interested. We're gonna work towards this. Caroline County spent all the time and money and effort at this point of moving this project along. And again, we continue to move this project along and we've developed a huge salinity model, intake screen mitigation plan, finish that up. We had another pre-application meeting then. Phase one historical and archeological is done, waterfall and the assessment sanitary surveys. We have the public meeting to invite the public to get input from them. From the county level, threatened and endangering species studies were complete, cultural resources and then the United States impact analysis was all completed, which led us to our March 2020 of actually submitting our joint permit application to DEQ. So the joint permit means that it's joint because we submitted to DEQ, but as part of that joint, you got the Marine Resources Commission, Department of Game and Inland Fisheries, the Marine Resource Commission, Game and Inland Fisheries. So all those are part of this, Corp of Engineers, but we get to submit it one as what they call a joint application.

Next slide. So project drivers. Man, I can't tell, is there a picture on the right side of that?

**0:15:15.8 J. Morris:** No.

**0:15:17.9 Mr. Scheibel:** Okay. Advance it one slide. Let's see if there's a picture there.

**0:15:22.3 J. Morris:** There you go.

**0:15:24.1 Mr. Scheibel:** Okay, thank you. So the project drivers are the Eastern Virginia Groundwater Management Area. King George County is now part of this. You can see this on the right-hand side of the map of the green area. It was actually down in the Portsmouth area is where it started, from the big lumber mills. In this state, groundwater management area started down in that

area and it was because of water consumption. During the drought, this entire area was expanded into Caroline County as well as King George County, and it occupies probably 85% of Caroline County. So it's a I-95 corridor, so we do have a small portion that's not in this but knowing that our groundwater wells that we have are actually in bedrock. So we do have a limited supply of water that comes from them and we continue to see the groundwater levels in the sediment overlay continue to decline. So as part of that, we knew that we would have to move forward in working and be limited on how much water we could withdraw from our well. So that was the first driver. Next slide. The next of the anticipated growth. So as we look at the needs in Caroline County, we've added those in. We've spent quite a bit of time updating all of our plans and looking at where we're going to be in 2025, 2030, '35 and 2050, giving as a good projection of where we're going and increasing needs. So my board has improved a lot of projects in Caroline County. One of them is tagged our TOD, transit-oriented development which is along I-95 Route 207 corridor. We've got about 2000 acres that are there that's a blank slate. The State said that this is gonna be the next location for a rail station. The federal government said this will be the next place for a rail station on the East Coast. So it's been targeted for that area and there's 8000 units that could be built on that location. So that was a big driver of us moving forward, along with some of the other projects that we have within the county.

Next slide. So knowing Caroline County has three public well systems, we've got 15 groundwater wells and a combined capacity of about 1.36 million gallons per day. Knowing that groundwater continues to drop, we knew that we would have to find an alternative water source to be able to meet those demands that we had on the previous slide.

Next. We also, in talking with King George County, we were able to look at your state water resource plan and gather information from there, along with other information that you all provided to us as part of our process. And as you can see, in your state water resource plan... And this is 2015's numbers, but as you can see, your water supply deficit was between 1 and 1.5 million gallons of estimated shortage by 2030. So that was looking at that, at what you all needed and what we needed and thought that that's one of the reasons why you all would make a great partner for Caroline County and in moving forward to some of these locations.

Next slide. So that came down to looking at... As we're looking to do a project like this of looking at regional partners. So with the town of Bowling Green and the town of Port Royal being in Caroline County, they were included. Both of them have small water systems of their own and thought that this could benefit them. And as we continue to look, being on the Rappahannock River next to King George County, we thought that you would also make a great partner. So that was some of the drivers of moving forward with that. Caroline County had met previously with Spotsylvania County, as well as Hanover County and we talked to them about whole water purchasing from them, from bulk water. And looking at that, we looked at partnerships of possibly joining in to construct the water plants at each of their locations. Hanover County buys their water from Richmond which actually goes through Chesterfield County, so there's a bunch of different agencies along with theirs. So as we looked at this, King George really seemed to make one of the better partners for us.

Next slide. Water demand rates. So this is a slide overview that shows the water demands from 2020 through 2045. So the permit only allowed us to submit through 2035. So as we look at this, we see that the average day is 4.8 million gallons. The total max for Caroline County is 8.4. Excuse me. King George County, looking at the same time period, so that your average day in 2035 looking at your plan was 2.3 million gallons a day with a max of 4 million gallons. And then we looked at the Bowling Green. Bowling Green had 0.5 and 0.8 million gallons a day. Excuse me, I'm sorry. So that gives us an average of 7.5 and 7.9 million gallons a day for the withdrawals that we've submitted on.

Next slide. So project summary, 7.9 million gallons a day. The maximum daily is 13.9 million gallons. And really this is for the planning year of 2035. So as we were submitting our permit and looking forward, these are the numbers that we selected to be able to do a withdrawal. Some of the studies that we have done have looked at 18 million gallons a day. So our fish study, our intake study, our screening study all looked at 18 million gallon a day withdrawal. The county is a debating, and as we get closer to actually building an intake and designing, we will look at whether it makes sense to put the infrastructure in as we wanna get into the river one time and be done, that making sure that the line size and wet well size might be large enough to handle 18 million gallons a day for additional capacity, whether that be for Caroline county or one of our partners, and thought that this would be a cost-effective approach as we're moving forward.

Next slide. So the joint permit application process. Again, this is just showing all of the different regulatory agencies that we have to go through and get input from each of them as this process goes through, and we're waiting on... We've responded... We've gotten a lot of comments from them. Some of the last comments are outward letters of support from possible regional partners, so it's kind of the last step of finishing up the last few comments that we have. And then also we've got the Marine Resource Commission has provided some information. And the General Assembly kinda slowed us down a little bit with an issue that they had in some wording on the Hampton Bridge Tunnel Project and the State Regulatory Agencies thought that that meant for all projects, not just for that one, and this dealt with essentially the fish and fish larvae impact and how a locality would go about mitigating those, so it was really a mitigation strategy. So since then, the General Assembly has cleared that up and that's been removed. So we're trying to get the last piece of information through the Virginia Marine Resources Commission now.

Next slide. So what makes a good water resource? Adequate volume of water is one, mill and wells aren't there. Reliable water supply, now that's important to make sure that you've got water you need. We don't wanna have issues during droughts. The quality of water, and then of course the system costs are always an issue.

Next slide. Water supply source alternatives. So not only did we not only look at just the Rappahannock River, Caroline County has spent some time since 2004, of actually looking at possibly putting in addition around groundwater wells. We looked at purchasing finished water from other localities. We were asked to look at the Potomac River and the possibilities of going to the Potomac. And then we also looked at the intake from the Rappahannock River. We also did another analysis, looked at some river bank wells that would be put in and fed off of those. And everything really pointed to the Rappahannock River, so that's kind of why we looked at the Rappahannock River.

Next slide. So the river intake locations. So you'll see the stars, one, two, three. The number one star, if you're familiar with Haymount, that's kind of the project there, and that was the original genesis of needing water and going to the Rappahannock River. That kinda started that, was having the water plant there to supply that facility and then to bring the rest of the water to the western side of the county. As we started working on this permit, we realized that there were some issues at that location. There is a discharge permit for Haymount upstream. There's a discharge permit for in Hopyard upstream. There's a discharge permit for... And these are all wastewater discharges into the river at Four Winds. So each one of those became an issue. So site number two was just a mile upstream from all those and got us out of that. And then site number three really gave us a great area where we don't have any issues along the river as far as impacts from any kind of discharges or intakes. A great area where there was a lot of areas that can't be built. So three has become our primary site that we've looked at. And as you see, we kinda call that area in the county there is the eagle set of the county in between one and two.

Next slide. So not only have we done a lot of fielding and investigations other than these, but these

are some of the big ones that we did. We had to do a bathymetric survey looking at the actual lay of the land at the intake sites. We did wetland delineations and we've done historical surveys at each of these sites. So we spend a lot of time and money going through each of those to make sure that we've got everything required for us to be able to get a permit.

Next. So this is the hydrological study, analysis I guess, of the Rappahannock River. So this became important to us as we looked at the hydrology of the river, and what that means is how is the river affected by droughts? Very important to make sure that we've got the quantity of water that we need. So we've got some really, really good information that's out there. It goes back from all the way into 1907, and that goes all the way back to the gauge. It used to be at what's called the Embrey dam. So we got information up in there. And there's also been several stations along the way all the way down the river beyond Port Royal. So we were able to take all those information, we were able to look at all the droughts on records and we're able to determine that there was plenty of water available for Caroline County and our partners to be able to withdraw without having any kind of an impact on the river.

Next slide. So the river model analysis looked at all kinds of things, the high salinity intake. We were concerned about withdrawing water out of the river, knowing that further down the river that it is affected by tide and it has a salinity content, so we did look at that. Along with that, it also provided a lot of information on water quality when it comes into... Salines comes into taste and treatment issues and things like that. So we were able to use the model for salinity and how it reacted and we can kinda look and determine how other parameters would react further when we started looking at treatment.

Next. So river water quality, as far as the salinity profiles, and this is just showing you that essentially the connectivity threshold. And then if you look at the bottom gray line, so the blue lines in between the bottom gray line, which is 500 and the bottom is zero. So we don't exceed 500 conductivity threshold at site two or three, which are their primary sites. Three, again, is the primary site, but two would be an alternative site. Those sites look great and provide the best water quality. And what does that mean for us? That means that as we look at designing a water treatment facility, we would not have to look at more expensive options such as reverse osmosis type systems and membrane systems and things like that. They cost a lot more money, not only to operate, but also to construct. So this is really good information. It also shows that as Caroline County has a long ways to move this water, that the actual water quality that we're removing will provide us with a lot of benefits for the water as it's moving long distances of not having a lot of issues of changing its quality.

Next slide. Just real quick. The main thing I want you to take away from this is the importance of salinity thresholds. So what we wanna do is making sure that we're looking at our parameters, and as you see, that the TBS is 500 and chloride at 250. So we wanted to make sure that we were staying below the 450 milligrams. And in that previous slide, we saw where the 500 was and we're below that. So really good water in this area, and that's what that would provide to us.

Next slide. So as we looked at the Rappahannock River, we did put together a intake concept of what that would look like. On top of the river bank, we would have a pump station and that would have a wet well that would go into the ground, and then there would be a line which is on the... I'll show you here on the next slide. Let me review this one that... So essentially, the pump station on top. There's the line that goes into the river and then there are screens in the river. And the screens are designed to stop the impediment and entrapment of fish species, and that's really the biggest issue that the regulatory agencies are concerned about. And then by putting those in there, we're able to withdraw that water and then we would pump the water to wherever it was necessary to go. So temporary new watering would have to take place within the river, the shaft would be installed, and then we would install the pump station into 13 NGB to be able to pump that amount of water.

Next slide. So this slide kinda shows you what it would look like with the pump station going down, and then the line going into the river itself and out into the river bank. There would also be some burst lines which are for putting pressure to the screens, for cleaning the screens. If you look, will be minimum of eight feet from the screen level into the water. So this is why this is one of the better sites. It was in a corner... Excuse me, in a corner in the river, so it's swift-moving, so that helps eliminate endangerment of fish species. It also helps keep the corners cleaner from debris, and also it's in deeper water in this area, so it stops the impact from having to worry about boats and things of that sort traversing up and down the river.

Next slide. So some of the final thoughts of this project. Caroline County has spent a great deal of time and money on the pursuit of a withdrawal permit on the Rappahannock River to meet our both mid and long-term needs due to declining groundwater levels in the Eastern Virginia aquifers. Rappahannock River provides a viable source of water for the long-term needs of Caroline county and its strategic partners.

Next slide. And the Caroline County supports a regional partnership with King George County for the purpose of a joint permit application for construction of the Rappahannock River. The (Inaudible) board has already adopted a resolution of support for this, and now we're asking King George County to support this strategic partnership as well by sending a letter of support to DEQ on that. And at this point, I'll be willing to answer any questions that anyone might have. Caroline County is not looking for you to sign anything that's saying that you're signing your life away, that we're asking for any money at this time. Caroline County has spent all the time and money and effort to get to this point. Excuse me, I'm sorry. If it turns out that King George County would not want to partner with us, what that means for Caroline County isn't that we would... We'd just reduce the amount of water that we're asking in the partnership, we would remove King George's portion out and we would still proceed with our permit. We thought that this would be a great time for King George County to be able to possibly partnership, provide you as well with a mid and long-term possible solution to add that in there. As Caroline County moves forward and gets our permit, and then would get ready to start design, we would want to enter into some kind of an agreement at that point, that would be something for us to be able to determine quality and quantity and dollar amounts and a partnership and how that would work out as we move to that. So we're not quite there, we're just looking for a firm letter of support that, "Hey, we think this is a great idea. We would like to support Caroline County as a possible partner for this project." Any questions?

**0:33:33.3 Madam Chair:** Thank you, sir. Yes, sir. So before I go on to questions, I just wanna make sure that everyone understands. This body, the Service Authority Board of Directors, is hearing this tonight, but would not be issuing that letter of support. That's up to the governing body, the next meeting, the Board of Supervisors, and that's why I've asked you to stay on and present to that meeting as well, correct, sir?

**0:34:02.4 Mr. Scheibel:** Yes, ma'am, thank you.

**0:34:03.5 Madam Chair:** Thank you. I just wanna make sure we don't get ahead of ourselves here before I open this up. So before I do so, Mr. Weakley, do you have anything to add before I ask members for questions?

**0:34:12.2 J. Weakley:** Yes, Madam Chair. Thank you. And that was a great presentation. Thank you for that, Joey. So I sent another memo with this presentation to you all last week. It was a real good overview that Draper had put together for the county in years past, and I've asked for that to be freshened up. That map that was on the board earlier that showed every county that was affected,

part of the groundwater management area, and that's via state law, there's a lot of difficulties, a lot of things we have to overcome. King George County has a lot of hurdles ahead of us as we look to what the county sets for their comp plan, what they say development will look like, but also a regional concept that those who permit such as DEQ look for and desire. At the end of the day, it's King George County Service Authority and/or in some cases the Board of Supervisor's choice of which way you would like to move. So whether it's jointly with Caroline County or if it's a desire, should we explore our own options? I do think at the end of the day, we're gonna wind up at some point of source water, whether it's building a reservoir, pumping into it, pulling from the Rappahannock River. I too think that the Rappahannock is a better choice than the Potomac. But where we're at today is a request of a letter of support to the governing body of King George, but having to... Had reviewed this project, sat down and met with Joey and his staff, I think it's a good concept. I think to this point in time, as it was just illustrated that no funds have been expended by King George County. There's a lot of work you saw that goes into this, and if King George decides to go alone, you're gonna go through a lot of that. It's not a reason for/or against, it's just a very good point to make. You also saw the timeline that you go through for a source water, and that's true for any of the counties that was on that map. So I think a letter of support... I know if we were to ask for that, it holds some weight with the permittee, or the permittor I should say, with DEQ, and we're gonna have to look for another means of providing water. We've got a water system later on the agenda for discussion that we're up against a withdrawal limit. And we are finding that, whether it's Fairview Beach, Hopyard, Courthouse, those systems alone are the ones that are really at the top of that list of concerns. There are others that may come later, but they're all from the same aquifer, and that's the Potomac aquifer we're pulling from. So King George County and the Service Authority really need to take a look at what does the comp plan spell out for growth, that's there, you all just approved that, I think last year. How do we meet that demand? We're just under a million gallon per day right now. I know there were some charts up there, if you also go on our website and I'll send it to you so you don't search for it, we have our latest updated from 2018 water supply plan. So all of those facts and figures that Caroline included that came directly from our water supply plan, and that's what we're communicating, whether it's regional or to DEQ or to our customers, this is what we're producing. These are our projections. So I just wanted to give you some baseline, a little bit of thought from your staff of... I think this takes a... I would recommend a fair look by this board in meeting future demands and the limits we're faced with by our groundwater withdrawal. So that's all I wanted to add, Madam Chair.

**0:38:09.0 Madam Chair:** Thank you, Mr. Weakley. So I'll open it up for member questions. Mr. Parker, let's start with you, sir, please.

**0:38:18.7 A. Parker:** I don't know if I have a question so much, more of a statement is a lot of time and money, obviously, has been spent to get to where you are. Looking at the slides, you've taken about 17 years almost to get to just to this point. It will be 17 years I guess in May, you have been working on it. So from my perspective, it would take a lot of time and money for King George to get to that same spot that Caroline County is in already. So it may be advantageous that we piggyback on the work that's been done previously.

**0:39:09.6 Madam Chair:** Thank you, Mr. Parker. Mr. Morris.

**0:39:13.1 J. Morris:** Just one quick question to make sure I understand this correctly. So based on all the work Caroline did, it boils down to essentially two sites on the river that are suitable for withdrawal. And if we, down the road, decide to draw from the river, we have to draw from that

same similar area, correct?

**0:39:38.7 Mr. Scheibel:** Yes.

**0:39:38.8 J. Weakley:** So Mr. Schiebel, would you like to maybe get into a little bit of logistics 'cause before he gets them started, there's two areas that primarily we would look to bring the water line down. This is raw water, by the way. This isn't treated water, this is raw water. We would have to take to a point of treatment works, so either one that exists or build a new one. Either the route 301 corridor or there's ways to navigate and come up Port Conway and get to the Hopyard Farms facility. Right now, if you ask for a recommendation, that would be the direction, because we have some treatment works already existing, maybe a little more, this equipment or that equipment that needs to be added. If we have the footprint, those are the two areas that we would look to bring it in, but do you have anything, Mr. Schiebel, that you would like to add as far as how this will work? I know you got the intake, but how do we come out of that intake and get to King George County? You're still there, sir?

**0:40:41.8 Mr. Scheibel:** Yeah, sorry. For some reason, it started recording and it kinda jumped off and back on. I'm good. Right now, the location would be...

[pause]

Can you hear me?

**0:41:05.2 J. Weakley:** Yes, sir, we can now. Please go ahead.

**0:41:09.0 Mr. Scheibel:** Yes, sir. Sorry. Right now, the idea is to come out of the pump station itself at location number three.

[pause]

**0:41:22.2 J. Weakley:** Okay, Chris, can you take it back to slide 18, please? Alright, we have that on the board. So come out of site three.

**0:41:34.8 Mr. Scheibel:** Yes, sir. I'm sorry, it keeps showing that my mic keeps muting on me. So site three is where we are looking to actually... It was our primary site. We were requested by DEQ, as part of the submission, to look at alternative sites, so that's why we have site two is in there. And again, one was the original site that we had looked at that. So as part of that, we do have to put in a transmission main from site three, one of the locations is running down our 301 corridor towards Port Royal, and then taking our 17 corridor to 301. So we could connect into that anywhere along the way to be able to pump water. So if you wanted to connect further south, like Hopyard, Caroline County is gonna be putting in some of the piping to go from that intake site down 17, so you'd be able to connect into that main anywhere along there to be able to provide that connection.

**0:42:36.7 J. Morris:** Okay, I understand that. My question is, based on that, whatever total miles that is from the 301 up to the border there with Spotsylvania, so the whole border that we share, those are the two best viable spots for drawing water, and if we have to draw water at a later date, it's gonna be in that section of the river. So the question comes down to, are we better with one big intake or two smaller ones? Correct?

**0:43:13.7 J. Weakley:** I don't know if I'll have that answer for you tonight, and if Joey, if you have that, but I know the size of the intake and the location and what's upstream, so you heard him mention a lot about wastewater outfall there will matter. I'm not sure... Obviously, they would have a smaller intake, if they're only doing, I think it was roughly 8.7 or a little over eight million. We would have a much smaller, yes. I'm just... I'm not certain, sir, if we can go in that same location or if there's a buffer. Mr. Schiebel, do you have any comments or knowledge of if there was a smaller intakes or two intakes that if there's any buffering requirements between the two?

**0:44:01.8 Mr. Scheibel:** So if an intake site... If you look on the actual map that you're on there which is showing the three different locations, you'll see along the river, where it's got a red hatch line, that's showing where there's other intakes and/or discharges that kind of prevent us from in those areas. So as you start withdrawing from those areas, you've got other requirements that have to be done in order to be able to do that. Regulations require that you can't have a wastewater discharge five miles upstream or a mile downstream of your intake site, so that becomes an issue there. Along with another intake being put in creates issues along that, as far as how much does it affect the salinity wedge. There's an area that they call freshwater to saltwater. The more water you withdraw going down the river, the more straws, as they say that are put in the river for someone to be enabled to look at that. Each new one that goes in, basically DEQ has to look at how does that impact the overall river. So the more people that start asking, the more restraints that are gonna be on there for you to be able to get those permits. So I can't say that you couldn't do it, but it does make it more difficult to do that.

**0:45:19.1 J. Morris:** Okay, I follow. Thank you.

**0:45:21.3 J. Weakley:** And I have just to add that I think that's where the push, DEQ is really pushing for regional concepts, probably for that reason. But that 5-mile buffer, that was a good piece of information. Thank you.

**0:45:38.9 Madam Chair:** Is that all, Mr. Morris?

**0:45:39.4 J. Morris:** That's it.

**0:45:40.8 Madam Chair:** Thank you. Ms. Cleveland?

**0:45:44.9 C. Cleveland:** So it looks like that a lot of work has been done on this. It looks like it was dated back to 2004, so I'm just curious of if this has been presented before to King George or why now after almost 15 years?

**0:46:06.1 J. Weakley:** So some of the background for our side, and I know this project for Caroline started back in '04. 2013 is really when groundwater withdrawals ramped up and started being very restrictive in our area. So that's why now, the present... I can't speak to either the two years prior, but I can tell you since I've been here, looking at our daily and annual withdrawals, looking at the wells that we currently have, that we've had to abandon some as well, and development that's on the horizon, I've seen that as a... I wanna say as a contingent of how we move forward. So for example, if you have one well that fails, it's not just that you just go drill another well, there's a process to go through that. So to answer your question of why now. Part of it is '04 was when Caroline County got started. I can't speak to why they started in '04. They obviously look at their water demand and

projections and so forth. We look at ours, but the water withdrawal, the groundwater withdrawal limits really ramped up in 2013 for our region, which has been the push of where we're at today. So whether it's Caroline County's initiative or our own, that's the reason why I'm bringing this before you tonight is that I've observed major deficiencies, learned about this project. It seemed something that could fit us to meeting that need in the future. But as I've mentioned, we're gonna have a conversation here in a little bit. We have multiple systems that if we're gonna see growth, how do we get there? And we know that the nice bridge expansion is gonna bring value. There's a desire along 3 and 301 corridor that the Board of Supervisor said, "This is our growth area." So those are factors that I've weighed out, "Okay, this is our existing demand. We have some wells that have to be abandoned. How do we maintain current capacity, but able to meet the projections that are in that comp plan?"

**0:48:11.8 Madam Chair:** Thank you. Ms. Binder?

**0:48:16.0 C. Binder:** Thank you for the presentation. I will say, I'm the senior member here, and this isn't the first time I've seen it, but it is a very, very comprehensive review. The number three site, is that in one of the farms that almost mirrors across the river from our Birchwood power plant?

**0:48:37.4 Mr. Scheibel:** Yes, it is.

**0:48:39.8 C. Binder:** That's what I was assuming. And then you had mentioned a straw on the river earlier, is that basically mean that once you have a permit that... You can't have a whole bunch of permits, so once they grant one, they don't grant many more 'cause too many people would be taking from the Rappahannock, correct?

**0:48:57.9 Mr. Scheibel:** That's correct.

**0:49:01.4 C. Binder:** Okay. So whoever gets there first has the more advantage. So one other thing you had mentioned by putting a line down 17, how many miles... You might have already said that, but how many miles is that about from 17 at that location number three to Port Royal, where you would go across 301?

**0:49:24.7 Mr. Scheibel:** Off the top of my head, I don't know. I would guess a couple miles. I know the entire length of the line that Caroline would have to construct is about 35 miles, so we've got a lot has that has to be put in, but I would guess two, two and a half miles.

**0:49:39.9 C. Binder:** Okay, thank you. And then my other questions, I'll save for the Board of Supervisors meeting. Thank you.

**0:49:47.3 Mr. Scheibel:** You're welcome.

**0:49:52.8 Madam Chair:** Anyone else? I don't have any questions, actually, you just asked two of mine, so thank you, Ms. Binder. Mr. Weakley moving forward?

**0:50:04.7 J. Weakley:** I think it depends on, obviously, the letter of support came towards the board of supervisors. I spoke to Mr. Parker earlier, and kind of liked an idea he threw out. I don't wanna speak for him, he can add in if he would like, but it's ultimately up to the Board of

Supervisors, if that letter of support... If that's something that the Board of Supervisors, if they decide to take up and approve, wants to include language of this board is, at least it sounds like positive. I don't know if accepting is the right word, but if you like what you hear tonight, if you wanted to mention it to the board of supervisors that you like the concept, you would support it, that's fine. But again, whether we go at it alone or go in a joint effort, regionalization checks one of the boxes for DEQ, it helps with the timeline if we wanted to get started and meeting our needs. So I fully support the project. And I will tell you, as Mr. Schiebel mentioned there is no commitment here tonight. It's a letter of support, there is no financial. I will and I have already started but, I will be exploring any and all options whether either it's mega-wells that exist which show up in a lot of Drapers reports and identifying those in the counties. If there's some other type of source water for us or this project. But I do think we're gonna wind up at a source water venture at some point to meet our needs. And while timelines seem far away, 2030, 2035, those years come quickly when it comes to planning and funding things. So that's all I have to add, Madam Chair.

**0:51:51.8 Madam Chair:** Thank you, Mr. Weakley. So Mr. Britton, could we move forward with just consensus of this board, that we recommend to the Board of Supervisors that they issue a letter of support, or how best do we accomplish this for this body?

**0:52:13.5 M. Britton:** The board obviously isn't writing the letter. I'm not sure that's how Caroline chose to ask from one governmental body to the next, but you could, by consensus, have Mr. Weakley do it, or if the board wanted to give its approval of the project to the Board of Supervisors, you'd have to take a vote.

**0:52:35.0 Madam Chair:** Okay. Members, can I poll you quickly and see which way you prefer? Mr. Morris?

**0:52:44.9 J. Morris:** I'm in support of it.

**0:52:47.2 Madam Chair:** Ms. Cleveland?

**0:52:49.0 C. Cleveland:** I'm in support.

**0:52:51.7 C. Binder:** I'm in support. I just have some more questions that I would want to firm up before we were 100% went into agreement with Mr. Britton firming that up. But just for a letter of support for the permit to go through is fine with me.

**0:53:06.3 Madam Chair:** Right. And Mr. Parker?

**0:53:09.7 A. Parker:** I'm in support.

**0:53:14.1 Madam Chair:** I believe we have consensus then, but...

**0:53:16.8 M. Britton:** Right. They can...

**0:53:18.8 Madam Chair:** Not some... Maybe just some further questions that need to be resolved. So as far as taking a vote for this body.

**0:53:26.2 M. Britton:** It would be either a vote to send that the Service Authority agrees with the

request from the county and it fits into the Service Authority's plans for potential water source, for future water exploit plan, or you can go on consensus and say you have a consensus and direct Mr. Weakley to write that letter. But you would just... It's just a procedural thing. If it comes from you all, you would need to take a vote on whether or not to say the Service Authority supports it, that will go up to the Board of Supervisors, or you could now with a consensus, direct Mr. Weakley to send the same letter.

**0:54:07.2 Madam Chair:** Thank you, Mr. Britton. So I don't wanna do anything to take away from the autonomy or authority of the governmental body. So we have consensus, Mr. Weakley, to let the Board of Supervisors know what the recommendation is. But we're not taking a public vote here in this body.

**0:54:25.5 J. Weakley:** Alright then. Thank you, Madam Chair.

**0:54:26.1 Madam Chair:** Thank you.

**0:54:26.5 J. Weakley:** And before he jumps off, thank you, Mr. Schiebel again for your presentation. I know you're on for the Board of Supervisors as well, but I just wanna take this time to thank you for putting that together.

**0:54:40.1 Mr. Scheibel:** You're welcome, and if anyone ever has any questions, please feel free to forward those. I'll be glad to meet again if necessary, and thank you all for the consideration.

**0:54:51.2 Madam Chair:** Thank you, sir. Moving on, presentation of annual audit. Mr. Weakley, would you like to introduce our guest?

**0:55:00.1 J. Weakley:** Yes. Before you tonight, we have Mr. Grossnickle from Robinson, Farmer and Cox. Tonight, you will have our annual audit. Every board members should have a copy and I have some extras. If there wasn't a copy placed before you, I apologize. Some of you got this document last year during our budget process. We haven't started a budget process yet, but Andrew's got some good news he's gonna share with you tonight. I'm always a bottom-line guy. What's the change of our net position? He knows, I'll get to that point, but he'll get there, but there is some good news coming out tonight. So Andrew, the floor is all yours, sir.

**0:55:39.8 Andrew Grossnickle:** Thank you. I appreciate the time to go over the audit and the financial statements for the King George Service Authority. Just gonna try to keep it at pretty high level here and just go over a couple highlights. Next slide, Chris. So just gonna go over engagement summary, the audit results, and then a few financial statement highlights. Next slide.

**0:56:05.2 Madam Chair:** Excuse me, one moment, sir. Mr. Parker, are you able to hear our presenter?

**0:56:11.1 A. Parker:** It didn't come through on my side at all.

**0:56:16.0 Madam Chair:** I was afraid of that. If you'll bear with us just a moment, they're working on the sound here.

**0:56:20.7 A. Grossnickle:** How about now?

**0:56:23.0 Madam Chair:** Much better. Thank you.

**0:56:23.8 A. Grossnickle:** I'll hold the mic, I'm sorry. I thought it would maybe pick me up.

**0:56:26.3 Madam Chair:** Thank you.

**0:56:27.2 A. Grossnickle:** So just to reiterate, I'm just gonna go over a high-level review of the audit for 2020 for the Service Authority. The Service Authority engaged us to perform financial statement audit and compliance audits for the Authority for the year ended at June 30th, 2020. Our audit was subject to the auditing standards generally adopted in the United States of America, as well as the Specifications of Audit of Authorities Boards and Commissions, which is set forth by the Auditor of Public Accounts for Virginia, and also the Standards of Financial Audits contained in Government Auditing Standards issued by the Comptroller General.

Next slide, Chris. From a overall audit results standpoint, the main byproduct of our audit procedures are our opinions, our audit reports. The Service Authority financial statements contain two such reports. The first one being the Independent Auditor's Report. This is on really the numbers contained in the financial statements. We issued a unmodified opinion or, in layman's terms, a clean opinion on the financial statements. So that's what you're looking for on the financial statements themselves. Second, we have what is called the Internal Control of our financial reporting and non-compliance Report. You'll hear this referred to sometimes as the Government Auditing Standards Report, or sometimes the Yellow Book Report. This relates to controls and compliance-related matters. We would note any significant deficiencies or material weaknesses in controls if any came to our attention during our audit process. We did not have any significant deficiencies or material weaknesses to report.

Next slide, Chris. Just a few financial statement highlights for the year ended June 30th, 2020. The net position at June 30th was \$19,889,721. This was a represented increase in net position of \$365,330. Out of that 19.9 million of net position, a lot of that is restricted for the net investment in capital assets, but unrestricted amounts included in there for 2020 represented \$4.5 million, which was an increase from \$2.7 million of unrestricted net position in 2019. Operating income for the year ended June 30th, 2020 was approximately \$1.5 million.

Next slide, Chris. Here, I just have a brief slide that goes over the last five years and shows the trends at a high level of what comprises the change in net position. So you have operating revenue, operating expenses, and the net of those is your operating income. Then you have non-operating items, net, those are typically your interest on debt service, and in some years bond issue and its costs, and then capital contributions. So the change in net position for 2020, as I mentioned previously, was an increase of \$365,330. You can see that that is a positive trend in comparison with the previous four years that had decreases in overall net position for the Service Authority.

Next slide, Chris. And then on this chart, you can see that the Service Authority operating revenues and expenses, it's just a little line graph that goes over the last five years. And you'll see there again in 2020 was a positive year when it comes to having a gap there, a favorable variance between your operating revenue and operating expenses. Operating revenue totaled to about \$7.2 million while operating expenses were approximately \$5.7 million. So the operating revenues were outpacing operating expenses in 2020.

The last thing that wanna point out, just one other kind of key metric. There is a statistical table, statistical table 9, which is in the back of the financial statements on page 64, if you wanna flip to that or look at it at your convenience. And this goes over the revenue bond coverage for water and sewer bonds. And it's an important one that Davenport and others will wanna look at year in and

year out to see how you're doing with your revenues and expenditures, and then what coverage you have for your bonds. And there was a favorable result for the year ended 2020 where your revenue... Your coverage was 2.1. Basically, you had two times each dollar that was needed for debt service was there for coverage, and they want you to keep that at over one. And so that was a positive trend that through increases in revenues as well as some refundings that were undertaken that reduced the interest that was paid by the Service Authority in 2020 that the revenue coverage ended at a favorable position. So with that, I'd be glad to open up to any questions that the Service Authority board may have on the audit and the financial statements.

**1:01:46.5 Madam Chair:** Thank you very much, sir. Can we start with Mr. Parker, please. Any questions, sir?

**1:01:54.3 A. Parker:** No questions, ma'am.

**1:01:58.7 Madam Chair:** Thank you. Mr. Morris?

**1:01:58.8 J. Morris:** No questions, ma'am.

**1:02:00.7 Madam Chair:** Mrs. Cleveland?

**1:02:04.0 C. Cleveland:** No questions.

**1:02:05.3 Madam Chair:** Ms Binder?

**1:02:06.2 C. Binder:** Just a question. Is it on page 63 where our debt is?

**1:02:10.7 A. Grossnickle:** So page 63 is a statistical... That's a nice little table because it gives you the debt, the bonds basically by type over a year... Over the years. The other place that you find a lot more detailed information of what the current debt that's outstanding for the Authority starts on page number 22. Note number five is a several-page note that goes through on page 22 and page 23, you'll see for 2020 and 2019, the increases and decreases by type of debt and the ending balance. And then as you go forward through page 24 and 25, you'll see the amortization schedules or basically the amounts that are due of principal and interest by obligation type, go all the way to maturity of those. And then finally on pages 26 and 27, each of the individual long-term debt obligations are listed out with their amount outstanding at June 30th, 2020, and then the amount of principal due within one year.

**1:03:13.2 C. Binder:** Alright. Thank you.

**1:03:18.6 Madam Chair:** Thank you. So bottom line, and I know we keep saying this, but over time, as we have increased the customer base, the debt per customer is reduced if I'm reading page 63 correctly.

**1:03:42.1 A. Grossnickle:** 63...

**1:03:45.1 Madam Chair:** At least the trend in the last one, five, six years.

**1:03:47.3 A. Grossnickle:** Yeah, the trend is trending down. If you look at the debt per customer at

the bottom of Table 8 on page 63, you can see that in each of the last about six years or so, the debt per customer has reduced through various measures, including refundings and other things that have been undertaken by the Authority.

**1:04:10.3 Madam Chair:** So then increasing the customer base is having the desired result in part? Mr. Weakley, what do you think?

**1:04:23.6 J. Weakley:** In long-term, yes, ma'am. But I wanna be fair, we have a five-year rate plan that was adopted in June of 2019, so while yes, ma'am, overall. And that's something that the Board will review every year, is debt service, even though you have an approved five-year rate plan, those rates that increase over those five-year periods will spread across all fees that the customer sees. So debt fees are one as well. So the annual, the amortization schedule shows they're declining, but the rate fees that the customer pays, do see that increase

**1:05:05.2 A. Grossnickle:** And you may in the future, have periods where that debt per customer increases as you undertake front end of debt-funded projects. And so I know the Authority is looking at different projects and whether they're gonna be debt-funded, partially cash-funded, etc. as you're working on those projects, especially on front end, when you... Right after you issue new debt... Alot of the debt transactions the last several years have been restructuring-type things that haven't increased the overall debt burden. But if you undertake a new project, then there on the front end, at least, you may have a temporarily... You may see this trend go up, and then ideally as those customers come on, if it's an expansion project, for example, then you'd realize some benefits there.

**1:05:54.6 J. Weakley:** This is a good thing because there are some capital expenses you gotta weigh out, you come out of your own account, if you will, versus funding those through some type of loans. So this is good news. Long-term, yes, ma'am. I think we're there, but we do have some capital projects, we just have to plan for our future, so it's good news.

**1:06:17.8 A. Grossnickle:** And to clarify, there is also one issuance in FY 20 that was basically structured like a line of credit. And so there is available funds to draw down there, but at the end of 2020, the only amounts that have been drawn on that, that show up in the debt essentially outstanding at your end were the amounts used for issuance of that debt.

**1:06:37.9 Madam Chair:** Thank you. I don't have any other questions. Mr. Weakley, do you wanna wrap it up?

**1:06:41.9 J. Weakley:** Just thank you, Mr. Grossnickle for coming out tonight. Good news. There will be a lot more of this type of discussions at the budget meetings when we set those. Thank you.

**1:06:52.9 A. Grossnickle:** Thank you for your time, I appreciate it.

**1:06:58.2 Madam Chair:** Alright. Seeing no action items. Let's move on to discussion items. Dahlgren Navy Base IGSA, Mr. Weakley.

**1:07:07.5 J. Weakley:** Thank you, Madam Chair. In your packet was included an inter-government service agreement. This agreement will be looking at chemical procuring partnership with the Navy base. This goes back to probably at least a year or more. We think we have it to a good point for a

potential consideration for approval here tonight. I've had legal look at it, I've also discussed it with finance as well, just to make sure the logistics of the chemical and procuring chemicals work. So in a nutshell, the base currently procures chemicals in a different way, and it creates problems for them as far as getting their chemicals delivered on time, making sure they have the necessary volume there needed, they have to be permits, just like we do. This would allow them to take advantage of our pricing points. I don't have the answer to why the Service Authority gets better pricing than the base. That's a good thing, I guess. However, what we agreed to was an administrative fee or IE work order is what you see that's written in this agreement. So essentially, when the base is ready to order chemicals, they've already gone through the chain of command verifying that the funds are there before they're putting in the request. They pick up the phone or email, excuse me, and make the request to King George County Service Authority. We order those chemicals. They do not come to any of our sites, they go directly to the base. Our chemical providers are already aware of that. We've checked that box as well. We receive the invoicing from the chemical provider. We take our administrative fee, similar to how we bill for whether it's water halls or what have you, we have a mechanism inside at our office to bill, so we attach the original invoice from the chemical company plus our work order totals up that amount, we issue that to the base, and then they pay us for those services. So we believe we cover all our bases. We think it's also being a good neighbor. You never know when you may get in a bind or need services. I talk to them too about groundwater withdrawal while we're talking about chemicals. So you just never know when you may need something. So the base has been a long standing good partner, good neighbor in the community, and we wanna do our part in helping them keep up with their chemical demands. So before you tonight is the inter-government service agreement to consider for putting it on February's meeting for an action item, just to give you an overview tonight. So if you had any questions, but I open up the floor for questions, Madam Chair, if you have any for me.

**1:10:14.0 Madam Chair:** Thank you, Mr. Weakley. Mr. Parker, would you like to go first, sir?

**1:10:21.5 A. Parker:** Yeah, I think it's a good idea. I thought that Mr. Weakley was indepth about it and thought that he... It seems like it's a good deal to make a good name look good enough, so getting even better with the days, and so we have a better working relationship going forward.

**1:10:45.6 Madam Chair:** Thank you. Mr. Morris?

**1:10:49.6 J. Morris:** No question. And I think this is a good thing also.

**1:10:54.3 Madam Chair:** Thank you, sir. Ms. Cleveland?

**1:10:57.3 C. Cleveland:** So I think that this is a good thing as well. I had one question, and that's just when I think about water and chemicals, is it going to in any way deteriorate the water company as far as since you're passing chemicals and... Not through your actual facilities, but on paper essentially showing that you're sort of being an intermediary of that. Would that have any effect, you think or?

**1:11:34.8 J. Weakley:** Are you talking about any financial impact or liabilities?

**1:11:38.2 C. Cleveland:** Yeah.

**1:11:38.3 J. Weakley:** So there are no liabilities, there's section 4-2 that covers some of that in this

agreement. No liabilities. Basically, they commit to the chemicals that they desire to procure. This agreement allows us to back out, same thing for the base, but no liabilities that I've seen. I'm not sure from a financial standpoint if there's any concerns our auditor would have, but finance has looked at it as well to make sure that this is something we can actually do. So essentially, we're building the base like we would build a water hauler or someone else that we'd provide a service to, and then those funds would come into the coffers for the chemicals they procure, so liabilities that I see. The main thing is, I did not want chemicals coming to our sites because then we would have to inventory that. There's a thing called SARA Title III, if you want some boring reading at night, but we have to keep up with chemical inventory. So we did not want this. We figured this would be the easiest way. Logistically, it goes there, we just facilitate the phone call and order the chemicals for them.

**1:13:01.0 M. Britton:** Madam Chair, this is just a standard inter-governmental piggy-backing agreement. We do them all the time. I reviewed it, spoke with them, spoke with the US attorney, gone through it all. There's just one thing approved by county attorney is the only thing that didn't make it on to this agreement. If you wanna... If Mr. Weakley wants to delay it, he can, but this just requires about authorizing him to execute the inter-governmental agreement with Dahlgren naval base. There is no liability. There's two provisions in the agreement, one says we don't have to buy chemical for them if we don't want to, and two says they don't have to buy them from us if they don't want to.

**1:13:33.3 Madam Chair:** Got it. Thank you. Anything else, Ms. Cleveland?

**1:13:37.3 C. Cleveland:** No.

**1:13:37.3 Madam Chair:** Thank you. Ms. Binder?

**1:13:41.1 C. Binder:** I only have one comment to make just so my board is aware. I was at those initial meetings. So it's now almost two years ago, where we met with the base commander at the time, and I just thought it was a really good way to partner with the base. And they seem very excited and also for the fact that they could get the chemicals a little cheaper and we save the citizens of King George and the United States a little bit of money. That's all my comment. Thank you.

**1:14:04.3 Madam Chair:** Thank you. I am very pleased to see this here tonight, I think I was at that initial meeting with Dr. Young and Mr. Stanley, a couple of years ago while on staff, so I'm glad that you continued working on this, Dr. Young. Thank you very much for that. With Mr. Britton's advice, it sounds if we are comfortable moving forward tonight, we don't need to schedule this for a public hearing. We don't need to defer action on this. If there is a motion...

**1:14:36.1 M. Britton:** They got no legal reason. I don't know whether Mr. Weakley had an operational reason.

**1:14:40.3 Madam Chair:** Mr. Weakley. Is there any reason you'd prefer to wait until our February second meeting?

**1:14:46.3 J. Weakley:** No, Madam Chair. As you and I discussed prior, so just to make sure the board felt comfortable, sometimes these agreements can seem like you wanna take a little longer

review, so there is no reason that I will recommend delaying tonight.

**1:14:58.8 Madam Chair:** Very good. All right. I'll entertain a motion.

**1:15:01.8 C. Binder:** I will make a motion to accept the inter-governmental support agreement between Naval Support Activity South Potomac and King George County Virginia Service Authority for procurement of chemical supplies.

**1:15:17.1 Madam Chair:** Subject to approval as to form by the County Attorney, right? 'Cause there was one thing you wanted to...

**1:15:23.3 M. Britton:** Yes, Madam Chair. For whatever reason, that last line isn't on this one that was presented. That's why I think that needs to be in this motion. I have reviewed it, this is the agreement, but we need to say, under state law, approve it as to form.

**1:15:35.0 C. Binder:** With the added amendment that Mr. Britton gave.

**1:15:38.3 Madam Chair:** Thank you, Ms. Binder.

**1:15:40.0 J. Morris:** I second.

**1:15:42.0 Madam Chair:** Any further discussion? Mr. Parker, I just wanna check with you. Do you have any further discussion?

**1:15:49.0 A. Parker:** No, ma'am.

**1:15:52.0 Madam Chair:** Very good. All those in favor say aye.

**1:15:53.5 C. Binder:** Aye.

**1:15:54 C. Cleveland:** Aye

**1:15:54.3 J. Morris:** Aye

**1:15:55 A. Parker:** Aye

**1:15:56.8 Madam Chair:** Any opposed? Chair votes aye. Motion carries. Thank you, Mr. Weakley.

**1:16:05.5 J. Weakley:** Okay.

**1:16:06.5 Madam Chair:** And next item you have for discussion for us? Go right ahead, Mr. Weakley.

**1:16:11.0 J. Weakley:** All right. Thank you all for passing that. And thank you, Matt, for your work and Dr. Young as well. Next item for discussion, the Board gives me the authority to review development and how does it speak to primary settlement areas. Do we have capacity? Do you know if it fits that criteria. I approve project requests that come through far as being served by the

Service Authority, that's water and sewer. Potomac Landing Development is a project that's been out there for a few years. It's an 84 lot and by-right development. It's right off Potomac Landing Drive. Their site plan has been approved. It was the understanding during the site plan approval that this project would be served by public water and sewer, so we have got to the point where the engineering firm that is working on its development hired a specialist and water and wastewater engineering. We require several things to be submitted, one of which flow demands and projections. We review that a lot of times, Mr. Quesenberry as well. And the County Engineering side will review that just to kind of check through their numbers. We have concerns about how we can go about serving this development. One, I think it fits our mission, so we should try to preserve it. Here are some hurdles for this project. Currently we don't have the capacity to serve the water that's required, and that goes back to the groundwater withdrawal permit, that's for the Fairview Beach Potomac Landing System. So when I mentioned Fairview Beach Potomac Landing, it's all one system. I realized there are two different sub-divisions in the county. There is a provision in our groundwater withdrawal permit that states upon approval of the water conservation and management plan that we would receive a 10% increase in that withdrawal. With that both the engineering company that is working on this project and the Service Authority feel that we could then serve this project. So that's one hurdle. DEQ has said on the phone, we're waiting to get it in writing that the water conservation and management plan looks like they could approve it. So that's great news. We just need the final approval letter and version in hand. So that says yes, you can... That triggers at 10%. So that's one hurdle.

The second is, if we were to receive that approval, there's three wells that feed that subdivision. One of the three has already been determined that it will need to be abandoned in the future. It's not reliable actually, it pumps sand. So that's been taken offline. Prior to my arrival, I had them turn it on to the environment just to see what I would collect. After running it for about 10 minutes or 10 to 20 minutes, and it was definitely determined. Yes, that's not a myth, it's actually pumping sand. We're not putting that in our system. That leaves you two wells of the system. Fairview Beach number two, which is by the water tank when you drive into Fairview Beach, if you're going out to dine at Tim's or whatever you're doing in the region. And that well is the newest well out of the remaining, very good production well. Fairview Beach number three, that well is over 50 years old. That doesn't always mean it's a bad well, but we do have concerns. If we are going to look at doing any type of serving this development, BDH, which is the other side of the water approval has said, "We want a 48-hour yield test." And essentially what that means is 48 hours run it as hard as you can, see how much flow you sustain. A 50-plus year well, we have concerns that could impact that well. So how do we solve our well problem to serve this? In talking with the engineering rep who's spoken with the developer, they are willing to commit in a service agreement if the Service Authority desires to enter into one of drilling a well and whatever apparatus is needed for the project. Normally, I would look at that and come to the board and say, "Yep, that's fine. That should be part of the project anyway." With this particular service agreement, I would come to the board saying, "This is a benefit to the Service Authority because we have high concerns about one of the two remaining wells, which also services existing homes." So we had the water conservation management plan approval that needs to be given to us for the 10% increase. We have a service agreement. If the board so desires, we'd have to look and enter into. And then DEQ would also wanna look at that new well site. I believe these things are obtainable. Looking at the development that's in that area, there are only two things that stuck out in prior reviews, and that's when a well permit is applied for, you identify the use and proposed development, there was a 60 townhouse unit proposal to go where the existing trailer park is. I see nothing come across my desk that indicates that's gonna happen, and then you have this 84-lot in development. If you are fine with my approach and we move forward, this would use all the remaining capacity of that water system. I'm

fine with that. The question is, if the board... I say I'm fine with that because there's no other planned development, and the board looks at primary settlement areas, there's nothing I see on that primary settlement or that would have other development. Compass Point is outside of that, those are 10-acre estates. So I'm recommending we move forward, I'm just really looking at direction and how the board feels tonight. There's some hurdles. We have to get the approved water conservation management plan. I think that's doable. We just need to obtain that. The service agreement, that needs to go through legal review, it needs to go through this board's review. I think that's doable depending on what's in that service agreement. And if the board's okay with... If we meet those benchmarks and DEQ approves that in the new well site, then it comes down to the remaining compacity. Again, I'm fine with that because there's nothing else slated unless you know of something else that I do not. So I wanted to bring that before the board tonight. I think it's a path forward. Quite honestly, I think it's the only path forward on this project, but a decision that at some point will have to be made. I work off of the board of director Service Authority time, but I do know the owner of the property is anxious to move. As you know the economy is kind of very fluid right now, so they're looking at do we develop this thing? Do we temperate to try to recoup costs? How can this project move forward? And if I didn't think it was viable, I'd say we just don't have the opportunity. But at least there are conditions, we know what they are. If a condition fails, guess what? The project doesn't work for water and sewer as far as the Service Authority. So I wanted to bring that for a discussion item tonight. You've heard the thresholds that we kinda have to go through, the hurdles, and then the capacity. So that's what I had for discussion of the project, Madam Chair.

**1:24:04.6 Madam Chair:** Thank you, Mr. Weakley. So before I open it for board questions and/or comment, Ms. Cleveland, do you have something you'd like to share, ma'am?

**1:24:12.9 C. Cleveland:** Yes, Madam Chair.

**1:24:14.4 Madam Chair:** Go right ahead.

**1:24:15.2 C. Cleveland:** Prior to the start of any discussion on this matter, I disqualify myself from any participation on the ground that I am an immediate family member of a person who holds a personal interest in this matter. While there may be some limited exceptions that could apply an abundance of concern and caution in order to avoid even the appearance of conflict, I disqualify myself.

**1:24:39.3 Madam Chair:** Thank you, ma'am. Mr. Parker, would you like to go first, sir?

**1:24:44.3 A. Parker:** Sure ma'am. Looking at it, I have no problems about using the full capacity that we have for communities. There doesn't appear to be any new construction coming down the pipeline, new development area. We should maximize, now that we're bringing into the Authority by using the resources we have to the fullest as possible. So I'm in favor, if we get the 10% increase or having talking Mr. Weakley move forward with (inaudible).

**1:25:22.6 Madam Chair:** Thank you, Mr. Parker. Mr. Morris?

**1:25:25.5 J. Morris:** Yes. Would we be abandoning Fairview Number three, the 50-year-old one, well?

**1:25:35.3 J. Weakley:** Most likely DEQ would wanna see that. My thoughts would be... Should all this move forward, a new well was drilled and that is a sustainable well, then do the 48-hour yield test on that one, because you had that backup. If it stands to be a good well, it's quite possibly they'll allow us to keep it, but my concerns is if we do one before the other, then we could lose that well. So it's not a definite yes they would ask you to abandon it, but they would take a hard look at that because it is groundwater management, so most likely they would take a hard look.

**1:26:14.0 J. Morris:** Okay. Thank you, sir.

**1:26:14.9 J. Weakley:** Yes, sir.

**1:26:16.6 Madam Chair:** Thank you. Ms. Binder?

**1:26:18.5 C. Binder:** One just clarification question. Like we mentioned in the presentation earlier with the Rappahannock River, when DEQ looks at groundwater withdrawal, they look at the Rappahannock River, where they were talking about straws. So they also look at how many wells, correct? So they limit the amount of wells so they don't all just drain out of the aquifer, correct?

**1:26:39.2 J. Weakley:** Yes, ma'am, that is correct.

**1:26:42.2 C. Binder:** Alright, that's all I had. Thank you.

**1:26:45.1 Madam Chair:** Thank you. I don't really have any questions. So to move forward, is this consensus of the board to allow Mr. Weakley to continue negotiations?

**1:27:00.9 M. Britton:** Yes, this does not require a board vote.

**1:27:01.8 Madam Chair:** Right.

**1:27:02.0 M. Britton:** He has the authority but, this is being brought forward because it's gonna take your entire... In fact, I don't even think they have enough to serve the entire project. There was a letter drafted in 2018 preliminary approval from Mr. Weakley's predecessor, and it also addressed the issue of fire and the need to upgrade as well. So it almost certainly will take the entire capacity based on what the service agreement is, and so then whatever we can sure, whether they wanna do the remainder and well and septic or whether they just wanna limit the number of lots. But given the fact that that letter was written giving a preliminary approval and a lot of time passed and then the capacity dropped down, we had a discussion about bringing it forward, but it doesn't require a vote. Mr. Weakley was just concerned that the board would overrule his decision since it would take all the capacity. And so we agreed that discussion was the best way, but no votes required, Madam Chair.

**1:28:02.9 Madam Chair:** Absolutely, thank you. So I think I'm hearing that we have consensus of the board of directors, Mr. Weakley for you to move forward.

**1:28:11.0 J. Weakley:** Okay, thank you very much. Thank you.

**1:28:12.7 Madam Chair:** Thank you. And your general... Do you have anything else on that, sir?

**1:28:17.4 J. Weakley:** No ma'am.

**1:28:17.8 Madam Chair:** Before I move forward? Very good. Your general manager's reports, sir.

**1:28:21.1 J. Weakley:** So Chris, I'll just ask you to leave it right there. We're gonna have some brevity tonight. So just real quick, and I've emailed you this report, just two things I wanna mention. The Arnolds Corner well, that is one that's offline. We've talked to VDH, we're looking to bring that back online. We've got some favorable response from VDH, there's a lot of normal engineering that goes into that, but they're willing to work with us. So if we bring that well back online, that gives us another well for redundancy in the Courthouse system. Second on the wastewater side, while I'm happy to report we've met our annual nutrient limits again this year, I would be remiss to say we did have some issues with our monthly permit limits at the Dahlgren wastewater treatment plant. As you may recall, we had some clarifier rehab work. It's unfortunate that we had two clarifiers to repair, and that's all that plan has. It created some hydraulic issues, caused some plant upset, caused us to have some permit excursions for the month of December. Since that time, we've worked with staff, we've worked out some kinks. January's numbers are looking a lot better, but we did have some permit excursions. And when I say excursions is, whatever the limit is for a certain parameter, you have to meet those limits. So there are annual things they look at which is good because we're not paying money back on the grant that we have for Fairview Beach or Dahlgren. Usually points are awarded or given, they say awarded, I will say given. That's not a thing that you want, but that's how they work with permit and compliance. So that's all I had before you tonight. Again, that'll be in those emails to you, so not a lot left in the report, so that's all I have, unless there's a question.

**1:30:18.7 Madam Chair:** I'll open it for questions from members of the board, Mr. Parker?

**1:30:21.9 A. Parker:** No question, ma'am.

**1:30:25.3 Madam Chair:** Thank you, Mr. Morris?

**1:30:26.7 J. Morris:** No question ma'am.

**1:30:28.0 Madam Chair:** Thank you. Ms. Cleveland?

**1:30:29.8 C. Cleveland:** No questions, thank you.

**1:30:30.9 Madam Chair:** Thank you. Ms. Binder?

**1:30:32.1 C. Binder:** No questions.

**1:30:33.0 Madam Chair:** Very good. I have no questions. So we have no information items this evening, so I will entertain a motion to adjourn.

**1:30:43.0 C. Binder:** I will make a motion to adjourn the February 2nd, 2021 at 5:30 PM in the boardroom.

**1:30:51.1 Madam Chair:** Do I have a second?

**1:30:52.0 C. Cleveland:** Second.

**1:30:53.7 Madam Chair:** Any further discussion? All those in favor say "aye".

**1:31:00.3 C. Binder:** Aye.

**1:31:01.3 C. Cleveland:** Aye.

**1:31:01.5 J. Morris:** Aye

**1:31:02.8 Madam Chair:** Mr. Parker, can you repeat that, sir?

**1:31:06.0 A. Parker:** Aye.

**1:31:07.5 Madam Chair:** Very good, thank you. Opposed? Chair votes aye. Motion carries. We are adjourned. This meeting is hereby adjourned to the next regularly scheduled meeting on Tuesday, February 2nd, 2021 at 5:30 PM That meeting may be held by electronic means and/or remote participation only and may be closed to the public being physically present. All citizens are encouraged to participate in advance or during the meeting by electronic means as provided by the county. So we'll take a five-minute break or so to allow supervisors to take their seats. Thank you.