

The regular meeting of the King George County Service Authority was called to order at 5:30 PM by Chairman, Allen Parker in the Board Room of the Revercomb Building, located at 10459 Courthouse Drive, King George, Virginia, 22485.

KGC Members Present: Chairman, Allen Parker
Vice Chairman, Carrie Cleveland
Jim Morris
Cathy Binder
Ann Cupka

KGC Administrator: Christopher Miller, County Administrator

KGC Attorney: Kelly Lackey, County Attorney

0:00:01.0 Chairman Allen Parker: I now call to order the regular meeting of the King George County Service Authority Board of Directors. We'll start with an invocation by Ms. Binder and the Pledge of Alliance by Mr. Miller. Stand as you are able.

0:00:15.0 Cathy Binder: Please, Lord, watch over us to make the right decisions for our constituents and those that are on the Service Authority. Amen.

0:00:43.6 Chairman Allen Parker: Mr. Miller, do we have any amendments to the agenda?

0:00:46.1 Chris Miller: No, sir.

0:00:49.4 Chairman Allen Parker: Moving on to public comment. Is there anybody in the room that would like to make a public comment? Alright. Please come up to the microphone. State your name and where you live. Just for everybody's information, comments will be limited to three minutes per person in order to afford everyone the opportunity to speak. If comments relate to a specific public hearing item, we ask that those comments at the time... For those comments at the time of the public hearing. You may begin.

0:01:19.7 Elizabeth Strank: Good evening. My name is Elizabeth Strank, and I live in Fairview Beach, and I would like to comment on our current debt status and the rates that we are working with to repay that debt. I remember 30 years ago or so, when we initially assumed that debt, I thought, "Boy, I feel sorry for those people on a fixed income because they have to carry a higher burden." It's been a long, strange trip, guys, 30 years later, 29 years, I'm not too sure. I'm on a fixed income, and I have no idea where we stand with the original debt service for the purchase of the Sydnor systems. I've talked to Mr. Miller, and I also communicated in an email with... Mrs. Cleveland, thank you for your response. And, I have major concerns. I think looking at general feedback online, there is no sense of where we stand with the debt. What is the portion of the original debt that remains outstanding? What has been added to that debt? Has there been any fines associated with the management of the water system that have been incorporated into that debt and whose responsibility should that be? Should it be the shareholders, the consumers? Or is it more a county issue and a government issue? Also, I will bring up something that's probably not

going to be popular in the county. The water service provided to the county is infrastructure. It's infrastructure that benefits all within the county. We should broaden the scope of those who pay for this debt, they benefit through newer buildings, through services such as Walmart, and I guess the newest thing down there, service stations. We need to lessen this burden and we need to get it paid off. I am not a financial wizard, but somehow 30 years later or 28, 29, we couldn't really figure it out. Why am I still paying for it? I think I've paid my fair share. In talking to Mr. Miller, I volunteered, I'm great in the research library, to research the history of it. But I think we need a history, the original debt, the status of that debt, what has been added to it, what are the plans to add to it, has it been restructured? Those type things. It's time. I've paid my fair share, and I want to know that there's an end in sight. Thank you, all.

0:04:32.5 Chairman Allen Parker: Thank you, ma'am, we appreciate the comments. Is there anybody else that would like to speak, from the audience? Mr. Dines, anybody online?

0:04:46.0 Chris Dines: No, Mr. Chairman.

0:04:49.7 Chairman Allen Parker: Alright, we're closing public comment. Moving on to a report by the members of the board. Ms. Binder?

0:04:55.1 Cathy Binder: I don't really have a report, but I do want to thank Elizabeth, I missed your last name, but I thank you for coming. I know I've done a lot of research on the Service Authority's history, and it is quite complicated, and I appreciate you coming and sharing your concerns. Thank you. And that's my full report.

0:05:15.0 Chairman Allen Parker: Ms. Cleveland?

0:05:17.8 Carrie Cleveland: I too appreciate the public comment, Ms. Strank, and I received your email and was actually going to read that in the public comment but thank you for showing up in-person. I appreciate that. I will say that we have not gotten the final numbers as far as what our debt is standing right now. I think we probably could give an idea of where we are in relation to our debt, but until we receive the numbers from our financial advisor, we wouldn't be able to give that information right now. However, this past week, I was able to review the fees that we've gotten over the last seven years, which was requested by Supervisor Collins, and I can let you know what that is in response to your email. One of the things that I wanted to make sure the board was aware of, I had asked Ms. Lackey to provide the breakdown of all of the Imboden fees, since they were in contract. Our initial contract with Imboden was a little bit over \$4700 to be the operator in charge of the class A operator, class 1 operator. And after the instances that happened at the Dahlgren plant at or around, I can't get my dates straight, but at or around December '21, January '22, their scope of work did increase substantially, and therefore you could see in the fees how substantially they increase as well. So, I wanted to make sure that the board gets that information so that they could see how much we're paying Imboden month to month, but I also wanted to ask Ms. Lackey if she could provide us with a breakdown of the invoices, so whatever we're paying outside of scope, and what specifically outside of scope we're paying for month to month, so that we can understand what they've been doing outside of the scope of that contract.

0:07:31.8 Chairman Allen Parker: And I think one of the things that Ms. Cleveland and I talked about is, the focus on that a little bit is, we are looking at a new contract with them, we want to try to figure out what they might perform that's out of scope on the new contract that they've been performing because that would be also out of scope on this contract. We just want to make sure that there's no surprise fees, the things that we know that they've been regularly doing.

0:08:02.3 Carrie Cleveland: Thank you.

0:08:02.6 Chairman Allen Parker: Jim Morris?

0:08:07.0 Jim Morris: Thank you. Thank you for coming out and thank you for your views. On Saturday the 4th, I attended the memorial service for Mr. Ron Bell, it was a good turnout for Ron, and people had a lot of nice things to say about him, and I think he's going to leave a big hole in our organization. Thank you.

0:08:33.1 Chairman Allen Parker: Ms. Cupka?

0:08:34.5 Ann Cupka: Thank you, Mr. Chair. Ms. Strank, thank you very much for coming out this evening. Thank you for your comments. I do know, I am looking on the Service Authority website, and I see a tab marked 'Service Authority Proposed Rate Increase & Budget Documents'. I see some things from '21, '22 budget and adopted rates. Rate advertisement from '21. Some things from 20... Well before I came on this board in 2020. But I'm wondering if we could get staff to have, if the board, if it's the will of the board to direct staff to have all of our audits, because I do know that we have an audit presentation here this evening but is there a way... Am I missing... Mr. Chair, would you indulge me and allow Ms. Hahn to take the podium, please.

0:09:37.8 Chairman Allen Parker: Ms. Hahn?

0:09:40.5 Donna Hahn: Good evening, Mr. Chair, members of the board. Our auditor, Mr. Grossnickle provides me the audit, that you have in front of you in a PDF version. And I haven't posted the most recent one, but all the previous years are posted on the Finance webpage, not on the Service...

0:09:58.4 Ann Cupka: So, they're on the Finance webpage?

0:10:00.6 Donna Hahn: Yes, ma'am.

0:10:00.9 Chairman Allen Parker: Okay. Perhaps on the Service Authority webpage, could we either put a link or a note directing customers to the fact that the reports are available on the Finance? And then my other question is, with regard to any presentations, our financial advisor has given us in the past couple of years, I know there were several presentations last year, and I know they're public documents because he hands them out to us here physically, and they sometimes are up on the PowerPoint, but I'm not really seeing where those are

being posted. So, if it's the will of the board to make sure those get posted going forward.

0:10:46.1 Chairman Allen Parker: Is everybody in agreement with that? Yeah, let's get this stuff from Davenport posted, the financial advising stuff, just so the public can see them.

0:10:55.2 Cathy Binder: And you would want the final draft of a report by then...

0:11:03.0 Chairman Allen Parker: Yeah, the final report that they...

0:11:04.5 Ann Cupka: Whatever they hand out in the meeting. Yes, please. And then one last thing, ma'am, I realize you live in Fairview Beach and Mrs. Cleveland is probably your go-to as the at-large appointee. I also represent you. And if Mrs. Cleveland doesn't have you lined up to serve on our Citizens Budget Advisory Committee, I would be happy to appoint you to do so. So just let me know. Thank you very much.

0:11:31.4 Chairman Allen Parker: Anything else, Ms. Cupka? Thank you. For my report, I do want to thank Ms. Strank for coming and making a presentation and speaking in a voice, it's very important. We don't get a lot of feedback, so we do appreciate people taking the time out to come and give us feedback. Many of us are on the Service Authority as well, so we're customers and we're well aware of the finances and whatnot, and it's probably what brought us to the board in the first place. For myself, we had a number of things that I've done on behalf of the Service Authority between meetings, I met with Mr. Miller in Davenport, to try to get some questions answered that Mr. Collins had brought up, Ms. Cleveland had brought up, about how the contract would look and whether we do it ourselves and we keep managing the Service Authority ourselves or we have in our Imboden, we're looking to get an apples to apples comparison run through Davenport, so that we can actually make some financial... Take a look at the financial numbers and make some decisions. And that's in progress. I understand Mr. Miller and his team are working on it, but we did get delayed with the review of the audit and whatnot, so all that stuff's delayed. We will be looking to, at some point, add a work session, maybe next week to go over all that stuff and work on making a decision one way or the other. Also, we just recently met with Hobie and his group just to go over some water intake issues and just how water and whatnot might work if their development moves forward, we just had some general discussions on that recently. Just stand engaged with them and see how we could work with them or benefit from what they're doing as an authority. And I think there's some good ideas that came out of that. And then, finally, I do want to thank the members of the Service Authority. We're going out and checking some pressure that was actually out in Ms. Cleveland's development, a couple of friends of mine have extremely low water pressure for some reason. It turns out it's not the Service Authority's issue, it's something in their house, but very appreciative of everyone checking that out to make sure it wasn't our meter, or a valve partially closed or something. Very much appreciated. And that's my report for this evening. Moving on to the consent agenda.

0:14:20.6 Carrie Cleveland: I move to accept the consent agenda as written.

0:14:23.4 Cathy Binder: Second.

0:14:24.4 Chairman Allen Parker: We have a motion made and properly seconded. Is there any discussion? Seeing no discussion, all those in favor?

0:14:32.8 Cathy Binder: Aye.

0:14:33.4 Carrie Cleveland: Aye.

0:14:33.6 Ann Cupka: Aye.

0:14:33.9 Jim Morris: Aye.

0:14:34.6 Chairman Allen Parker: Chair votes aye. Motion carries. Report from the County Attorney. Ms. Lackey?

0:14:42.7 Kelly Lackey: I don't have any major updates, we were not able to get the draft Imboden contract as part of the agenda, but we have completed negotiating that. I don't want to foreshadow what's to come in the next discussion, but if there's questions related to the contract, I'm happy to answer them.

0:15:06.1 Chairman Allen Parker: Are there any questions for Ms. Lackey?

0:15:09.8 Carrie Cleveland: I do have a question. And I'm just wondering because it's an action item on here, does that mean that we're not going to have that today or?

0:15:22.5 Kelly Lackey: In discussions with Chairman Parker, we thought that you all would not be prepared to vote on the contract that you got at the last minute, so that's why I just wanted to make sure, because I was like, "Oh... "

0:15:33.5 Carrie Cleveland: We'll still have some discussion, but I don't think anyone has any expectation that you all would act on that item this evening.

0:15:39.8 Kelly Lackey: Thank you.

0:15:39.8 Chairman Allen Parker: Yeah, we discussed it and it would be coming too short, and I didn't think anybody would have enough time to read it and properly digest it. Alright. Anything else, Ms. Lackey? Moving on to presentations and reports. We have a presentation of the annual audit by Mr. Andrew Grossnickle from Robinson, Farmer and Cox.

0:16:06.6 Andrew Grossnickle: Good evening. Thank you for your time this evening. Just wanted to take a few moments to go over the results of our audit for the year ended June 30th, 2022, and a few financial highlights therein. We've been engaged to perform a financial statement audit and compliance report for the authority for the year ended June 30th, 2022. That audit was subject to the auditing standards that are promulgated by the United States of America, the specifications for authorities, boards and commissions issued by the Auditor of Public Accounts, and also the standards for financial audits contained in the Government

Auditing Standards issued by the Comptroller General. The main by-product of our audit process is obviously our independent auditors' reports. For the Service Authority, there are two types of reports that are contained in the financial statements, the first of which is the independent auditors report, that's really on the numbers for the Service Authority. And for June 30th, 2022, we issued an unmodified opinion, or in layman's terms, a clean opinion on the financial statements for the Service Authority. You will note if you look at the Independent Auditor's Report, the accounting legalese changed somewhat this year. Every few years they change the order of the paragraphs and some of the language in the opinions. So if you looked at this year's versus last year side by side, there are some differences in those opinions, but the bottom line is that it is an unmodified, which is the clean opinion. We do highlight in that opinion that there were GASB pronouncements, the last several years there's been a lot of them. There was another new impactful one this year GASB, Governmental Accounting Standards Board Pronouncement No. 87, which related to leases, both ones where a county or an authority is a lessee, and where they are lessor. And in that accounting standard, you had to put on assets and liabilities related to those items, mainly as they offset each other to some extent pretty closely, an asset and a liability and the example of lessee transaction, following again with FASB and some of the other things out there. If you've had operating leases in the past, they're not really shown on the net position or on the balance sheet, and now they're showing there, so that you can track those commitments essentially, or receivables in the case of a lease, lessor transaction. We also have an internal control over financial reporting or compliance reports, which is otherwise known as the Yellow Book, or the Government Auditing Standards report. And in that report, we will note any material weaknesses or significant deficiencies in controls. And we did not have any of those for the Service Authority for June 30th, 2022. A couple of financial highlights without getting too deep into the financial statements, as you're aware, the Service Authority operates on a fully accrual basis, whereas the county, there's two bases, there's the fund balance and then a net position basis. For the Service Authority, it operates totally on that full accrual basis where all of your long-term obligations, including your debt, your pension liabilities and assets and things of that nature, your capital assets, all of those things are captured on the full accrual basis. And the residual for the Service Authority, or retained earnings or equity is referred to as net position. And so, for June 30th, 2022, the total net position of the authority was \$22.8 million. That represented an increase of about \$2.2 million from June 30th, 2021. The operating income for the year ended June 30th, 2022 was \$2.1 million. This is a little chart I've got, just a few more financial highlights that show a little historical information. This is the last five years, the changes in net position and a summary of the components of those for the Service Authority from fiscal years 2018 through 2022. And you'll see the trend there going from '18 where there was a loss or a reduction in net position, and also in '19, and then started trending up there, 2020, '21, '22. And then in more of a visual chart format, this is an analysis of just the operating revenues and expenses. This excludes developer contributions or transfers of that type and also excludes interest on debt service. But just from the operating revenues and expense standpoint, you can see there '18, '19, the lines there were very close, '19 almost right on top. And then, that spread has increased the last few years to where operating revenues have outpaced operating expenses and that Delta's grown a little bit. Those were just a few of the highlights for the year ended June 30th, 2022. I'd be glad to open up to any questions the authority board members may have on the financial statements and audit.

0:21:37.2 Cathy Binder: You had just brought up the expenses. So that does not include the debt service?

0:21:43.2 Andrew Grossnickle: Going back to this chart here. If you look at this chart, the operating revenue and operating expenses for '22 of 8.3 and 6.2, that's what's coming over on this graph. And so, the expense is the non-operating items there, the 677, 691 for 2022 negative. That includes the interest on debt service.

0:22:08.8 Cathy Binder: So, the non-operating items is the debt service?

0:22:12.4 Andrew Grossnickle: For the primary item in the non-operating is, occasionally there's a state or federal grant that's a non-operating grant. And then when you get to the capital contributions, like in 2022, there was, I think it was Hopyard, there was some infrastructure that was contributed, and that's also technically non-operating, but it's in its own line there. For the most part, if you look across that line, for the most part, those non-operating, the net non-operating items is primarily debt service.

0:22:41.9 Cathy Binder: Alright. Thank you.

0:22:42.0 Andrew Grossnickle: Interest. Interest in a debt service.

0:22:49.4 Carrie Cleveland: Chairman? Hi. Thank you for this. This is a little bit overwhelming. I think when we're looking at all these financials, is it possible that after we review it that we can ask you some questions, maybe email and get some answers back that way? I know that after I look over it, I'm going to have some questions. I just wouldn't be able to tell you right now.

0:23:10.6 Andrew Grossnickle: Yeah, certainly. If you want to just probably direct those through staff, I'd be happy to answer any questions...

0:23:17.6 Carrie Cleveland: Okay. Thank you.

0:23:18.2 Andrew Grossnickle: You may have. I know these... A lot of information in these reports takes some time to digest. And I can't remember... I'm not sure when you started on the Service Authority Board, but a few years ago, Service Authority also had me come to a work session at a later date just to go over how these numbers all work because of, Service Authority can be a little complex since it's on that full accrual basis, and there's a lot of things that are different from just the straight cash flow versus what's on a full accrual basis. That's also something, if you ever want to have something like that. I know there are a few... I believe a few board members that are new since that... We had that... It was like a governmental accounting 101 educational piece.

0:24:04.9 Carrie Cleveland: Yeah, that would be really helpful because the thing is, is I know that... Excuse me, I'm sorry. I know that there's a lot of movement in the financials and I don't really understand it because I don't usually deal with government financials. And so, I

get really confused when I'm reading over it. And I'm sure that probably others do as well.

0:24:23.7 Andrew Grossnickle: Yeah, they've gotten quite complex over the years, as I alluded to with the Governmental Accounting Standards pronouncements. I mention this sometimes in board meetings. I might have mentioned this last year. 20 years ago, GASB 34 was the number of the pronouncement that they were on. And now they're up around 90 in 20 years, when from the beginning of time to 2002 or so, they had gotten to 34. And a lot of those over the last 20-plus years have really added a lot of complexity to the report, and also just a lot of disclosures that make it a little tricky to sort through and see what the cash flows is type data versus what is disclosure information. And on the county's side it's a little easier because they have those two bases, so you have that kind of fund balance basis where it only has your near-term obligations and doesn't have all these things like pension and OPEB and these things that are really, like long-term liabilities that you don't have much control over funding because maybe VRS tells you what your rates are and things like that. Those are the kind of things where the Governmental Accounting Standards Board has their reasons for wanting that, and it's the rating agencies, like all that full financial information, but it makes it a little more complicated for stakeholders to dig through the numbers, for sure.

0:25:52.9 Chairman Allen Parker: Are there any other questions? We thank you. We thank you for your presentation and we'll probably have you back for that government accounting 101 session because I think that'll be helpful.

0:26:05.4 Andrew Grossnickle: Sure. Thank you for your time. I appreciate it.

0:26:10.7 Chairman Allen Parker: Moving on to action items. I guess it's really just discussion questions on the water, wastewater operator contract as alluded to before, but it's just kind of minty getting finished off. We'll look to go over that maybe at a work session meeting, give everybody time to look at... Get it in your hands, look at it, digest it and then go through it and talk about that. You want to...

0:26:38.4 Chris Miller: Ms. Binder, I think.

0:26:39.2 Cathy Binder: You might be covering it... I remember an email you had sent that had set up a date for said, because it's probably sooner rather than later.

0:26:48.6 Chris Miller: Yes, sir. Or, yes, ma'am. And yes, sir. We had... I think we were looking at providing you with two sets of information. First of all, like Ms. Lackey referred to the proposed contract, and that contract has been discussed and as Ms. Lackey indicated, essentially the negotiations with Imboden are complete and you will have a proposed contract that you can look at and go through. But as she indicated, we didn't want to provide that at the last minute. And the other part of this is, there was some financial information I believe you wanted that was going to look at an apples to apples comparison, some scenarios that if you did not do a wastewater operator contract and a water operator contract, and you stayed with your current staff, then these are the steps that you would have to take to basically make it an apples to apples comparison and to comply with what DEQ is saying.

And then so that analysis is, we're going to wrap that up, having a conversation tomorrow with Mr. Laux with Davenport and we will have both that we can try to get to you. If you set up a meeting for next week, we would have this to you at the end of the week. If you don't have that planned, then we'll have it to you in enough time for you to make a good review of it, before you have to obviously be put in a position to make a decision.

0:28:24.6 Carrie Cleveland: Chairman. I have a question about the Davenport. Is it possible that after we give him the financial information that he can let us know what the outlook of rates is going to look like in order for us to sustain the business? For example, how he did that five-year plan saying, "You need to increase the rates by X percent each year and then you're going to be in a better position." Well, we know now that that's not the case anymore. We have to look out further and it's probably going to continue. Is it possible that he can tell us like, "If you do this contract and here's your deficit, here's what the rates are going to be next year, here's what the rates are going to be the next year," something like that?

0:29:03.4 Chris Miller: That is the direction that I thought that you guys had given us. That is what we've talked with Mr. Laux about.

0:29:10.4 Carrie Cleveland: Okay. Right, perfect.

0:29:10.5 Chris Miller: That would be something that would be part of that analysis.

0:29:14.0 Carrie Cleveland: Okay, perfect. Thank you.

0:29:14.6 Chris Miller: Yes, ma'am.

0:29:17.3 Chairman Allen Parker: Yeah, that's what we... That's what I had relayed to him because I thought that's what... I think that's probably what the pressing question on everybody's mind is, "What are the rate effects?"

0:29:25.6 Carrie Cleveland: Well, the one thing that I want to avoid is, a lot of times what I see with Davenport in our discussions, although it's great, is the restructuring of debt and things like that, which is great and I hope that we can do that, but that's hypothetical. So, I really would like to see what we have right now as it stands, what it's going to be. Does that make sense?

0:29:45.2 Chris Miller: Yes, ma'am. I think he's going to... My understanding in what the direction we took was, you needed a global outlook, you needed to factor in some of your future capital needs, but you also needed to then do this short-term review of "If you did this contract, this is what you have to do, and this is what the possible rate structure would look like." I do think that... I am sure that he will speak about debt restructuring because you have some... I don't want to use the word deadline, but there are some mileposts that are coming in the future, your debt jumps up in 2027, and I think that it's been my understanding that the board has wanted to look at a possible restructuring in the next couple of years. Now, is the market favorable for something like that? I think that's something that Davenport could tell you, but I think that that's all a global outlook, is what I think they're prepared to provide

you with. Because essentially that's... You need to factor in all those things. Yes, ma'am.

0:30:56.7 Cathy Binder: One last thing. I forgot this in my board report, and I have it in my supervisor's report. I reached out to a person that I met from DEQ in my two boards that I served on, and they were more than willing, if we have interest, for my colleagues, any of the departments come and give us a little overview of what they do and that might help us in the discussion. They just need directions of who they want to come speak. They're willing to come up from Richmond and answer questions for us. So, if any of my colleagues have any suggestions, please?

0:31:25.0 Chairman Allen Parker: I'm thinking probably somebody from their wastewater oversight division is really... because that's... The water's pretty much... That's pretty under control. The wastewater's where it'd be interesting to hear their perspective, what they're looking for, now, and also what they're thinking about in the future because I know there's always legislation being thought about. Would everybody agree they want to set something like that up if we can?

0:31:58.1 Jim Morris: Well, if you're going to do that, I would say you need VDH and DEQ here because as I've said before, in other meetings with them, they don't know what each other is doing and they keep telling us different things. One agency tells us one thing and the other agency tells us something different. In the last meeting I was in on with them, they were totally clueless about what the other agency had told us. And I asked them to reach out to each other and reach a consensus. And have you heard back? because I have not. Until they can get their house in order, we keep ping-ponging back and forth between them.

0:32:45.5 Cathy Binder: I'll reach out for water and wastewater.

0:32:49.8 Ann Cupka: Mr. Chair, can I ask a question of counsel?

0:32:53.1 Chairman Allen Parker: Yes.

0:32:53.5 Ann Cupka: Ms. Lackey, is there a way to make sure that if we held such discussion, it would not have a negative impact on pending negotiations? I don't want us to get someone here.

0:33:13.6 Kelly Lackey: We are still negotiating a consent order. But as I understand, the proposal from Ms. Binder is just to get an overview of what the DEQ's roles and responsibilities are, so that if there's interest in having an overview of that, I don't see that as impacting our negotiations.

0:33:38.1 Carrie Cleveland: Chairman, I have a question.

0:33:38.1 Chairman Allen Parker: Yeah.

0:33:39.8 Carrie Cleveland: Is it possible that we could get, to Jim Morris's point, VDH here as well? Maybe we can have them the same day, so we can see what...

0:33:48.7 Cathy Binder: I'd point to Mr. Miller on that one, because I only have contact at DEQ.

0:33:53.2 Chris Miller: I don't think that would be a problem, but I think we just have to make the request. I'm happy to do it on behalf of the board, to both of them, and to let Ms. Binder try to set up something on the DEQ side. We can reach out to VDH and have them here as well, and they can tell you what goes... What their regulatory role is. The previous contact that we had was a gentleman by the name of Doug Meyer and he's since retired, but he always was more than willing to come and speak to you about the waterside and all that that goes on. So, we're happy to do that. I also would point out that Ms. Hall with Community Development, they interact with another gentleman that's, for every development related activity that goes on in the county, and that may be another contact that we could bring here and have a discussion. He's with VDH and we're required to get a sign-off from him on everything. That's another way. It's just, I think any kind of information is always helpful, I think.

0:34:56.8 Carrie Cleveland: Yeah. And also, because if there's a disconnect, if we could get them at the same time, perhaps we can figure that out.

0:35:07.7 Chairman Allen Parker: Alright. I think everybody's in agreement that Ms. Binder and Mr. Miller will look into getting VDH and DEQ to do a presentation on what their oversight roles are and what they're looking for and whatnot, so we can have a better understanding. Are there any other questions? If not, the one thing we have to look at is setting a... We put it here, I guess, is set a meeting date. What's next week's look like for everybody?

0:35:55.9 Chairman Allen Parker: I'm guessing maybe Wednesday or Thursday next week, is any either of those days better? because I'll avoid Valentine's Day on Tuesday.

0:36:08.0 Jim Morris: Doesn't matter to me.

0:36:14.6 Chairman Allen Parker: Ms. Binder, Ms. Cleveland, either day better for you?

0:36:17.8 Cathy Binder: If it's Thursday, it has to be after 5:30.

0:36:21.8 Carrie Cleveland: I prefer Wednesday, but I can do either.

0:36:24.6 Chairman Allen Parker: Alright. Well, it sounds like everybody's up for Wednesday. So, Wednesday maybe 5:30? Does that work for everybody?

0:36:31.2 Cathy Binder: Can you just send out a Google invite, please? Thank you.

0:36:35.5 Chairman Allen Parker: And we'll have to, I guess, track down a location.

0:36:41.5 Chris Miller: I don't believe... Mr. Dines, I don't think there's anything scheduled on

here Wednesday, is there?

0:36:47.6 Chris Dines: Not that I know of. I know Tuesday is the Planning Commission.

0:36:51.3 Chris Miller: Right. So, I'll get... Yes, we'll track here, unless otherwise told.

0:36:55.3 Chairman Allen Parker: Okay, sounds good.

0:36:57.8 Cathy Binder: Mr. Chair, specifically what's going to be in the meeting, just the contract or?

0:37:03.2 Chairman Allen Parker: It's going to be the financials from Davenport that we were discussing, showing an apples-to-apples comparison of the contract, if we executed the contract with Imboden, what the costs are and what the rates would look like, moving into the future. And also, if we decided to just keep operating ourselves, what staffing levels we have to immediately staff up to and what the associated costs, what the staffing levels are and whatnot, so that we have an apples-to-apples comparison for the two of them.

0:37:36.2 Cathy Binder: So, there are no action items, it's just informational?

0:37:37.2 Chris Miller: That's something that, I think... Is that what you would like, just an informational so that you can prepare it for the next meeting on the 21st? Or would you want to actually be in a position to make that decision next week? because if you did that, then that would be, you'd probably want to set this up as a special meeting and not just a work session.

0:37:58.5 Cathy Binder: Well, my question comes in is the current Imboden contract, because it's month to month, when does that end and when do we have to do it? And if it drags out, what goes on?

0:38:08.8 Chris Miller: We're currently in a month contract right now, and it will end, I believe, on the 9th of March. So, we're okay in that respect. But yes, you would have to, if you don't come to some kind of an arrangement, then we'll have to plan on another extension or at least some other plan. But... Whatever preference you guys want to do in terms of next week's meeting.

0:38:36.2 Chairman Allen Parker: What's the preference work session to get the information and digest it, devote on it at the following meeting, or take action, make it a special session? What are everybody's thoughts?

0:38:50.1 Ann Cupka: Mr. Chair, I just want to point out the calendar for March is very similar to February. The first day is on the first day. So, if we wait until the first meeting in March, that's the 7th, and the contract expires on the 9th. We can't push it any further than that, if we need to renew it. I just want to make sure everybody understands that is going to be a pretty hard deadline at that point.

0:39:20.6 Chairman Allen Parker: Yeah. I think we have to take some kind of action at the next meeting at the latest, on the 21st, one way or the other. But do we want to take action at a special work session next week, or do we want to just get the information and then consider it, for a meeting the following week to take action?

0:39:40.5 Carrie Cleveland: Mr. Chairman, I wouldn't want to act at the work... I would rather have a work session. And if we needed to extend the contract on the 7th, we've been doing month to month, so that shouldn't be a problem if we had to do that.

0:40:01.8 Cathy Binder: I would like the work session too, because we're going to be asking a lot of questions, so I wouldn't like to digest this information.

0:40:08.3 Chairman Allen Parker: Alright, let's set it up as a work session then.

0:40:12.3 Chris Miller: Yes, sir.

0:40:16.6 Chairman Allen Parker: Alright. Moving on. We don't have any discussion items. General Manager's Report.

0:40:25.1 Chris Miller: Okey-dokey. Updates on the to-do list, which should be at your desk. The items in red are the new updates. AMI project, total meters installed to date, 2300 meters left to install, about 1500. The effect of the meter reading cycle, 14 routes have been taken off the meter reading cycle, that equates to about nine and a half days less actual reading. The install crew will resume activity installing meters at the beginning of the next fiscal year. They're kind of in a dead period right now, if you will, but they did a great job, and I think that our crews and Ms. Norris-Barker did a fabulous job of really just the initial part of this and working this. And obviously, the next phase of this is going to be the implementation. And as we go forward, just a reminder, this is a three-year contract, but we all know that the ultimate goal of this is to really drastically improve the meter reading process, cut down on a lot of the time that's involved and the loss of time that we have with our crews going from maintenance and going into the meter reading activity. And then the accuracy, I think that's going to really provide the customer with the ability to know their usage and to better track their bills, and then we can do things remotely that will be able to address leaks or excessive uses, why that's happening. I think this is a fabulous project. And, again, my hats off to the staff and to the contractor and what they've done. Inflow and Infiltration, the program, the early work took place in early 2022, and we were preparing a multi-year improvement plan, and so right now the scoping work plan is to maximize the return with the funds that are available. And so that's what Mr. Young is working on for County Engineering. The Canterbury subdivision observation well, that is completed. It was completed in January of '23. And again, this was an observation, well, and it was set up by... Not a request, it was mandated by DEQ to make sure that the aquifer in that area was being replenished. They did a drawdown, is my understanding, and within 24 hours the aquifer was replenished. Everything worked out fine. We'll get the final data here soon from our engineers. The Arnolds Corner well upgrades, they're in the design phase, and we expect that to be complete in the spring of '23 on the next... And if you turn it over, we're trying to save paper. You have upgraded to Fairview Beach outfall. Maverick Construction was issued

the... That's the pipe that goes out into the Potomac River that blew out in a storm, Maverick Construction was awarded that bid, and we're just waiting for the weather to get a little better for them before they get going and a notice to proceed can be provided. Obviously, as Mr. Parker alluded to, we had a nice meeting with Mr. Mitchell and Mr. Taylor, and their water folks, on the possibility one day of having a surface water, or surface treatment plant, if you will, for water treatment plant and what our surface needs are. But I will tell you this, obviously we are looking at private sources as you know, but we also have reached out to the various counties around us, in addition to Caroline, which obviously this board had a presentation a couple of years back. I have had some conversations with Stafford as well. We know that there is a limited time that the Service Authority has for continued use and reliance on groundwater. The idea is, obviously the sooner the better, to acquire some surface water that would then be treated and then would be provided for the usage of those that are on the system. Decommissioning of the, what we call the Dahlgren sludge pond. It's a residual pond. And that is based on the weather as well. I believe it's Johnston Construction Company that was also issued that bid back in October. And so, we're just waiting for the weather to get into a good position for them where they could then begin that work. One of the other things that's a new item that is on this list is the Low-Income Housing Water Assistance Program, through the direction of the board and the Department of Social Services. We have obviously connected with the state program, and we are now in that system, and we are now working with our billing company MuniBilling on the implementation so that our customers can begin utilizing that program. Once that information is available and we are ready to go, we'll have it broadcast. And I know that Ms. Norris-Barker has indicated that there are a number of citizens that have requested information about it and have reached out to us about the needs that they have. And so, we want to get this thing up and running and be able to help some folks out. Two things that I would just point out are, I had an opportunity last week to attend the meeting that Representative Spanberger had. You know that she obviously now represents King George County. She's very interested, as well as her staff, in helping out and providing opportunities for funding. The old funding that we all used to love to get but we would love to also criticize if it went to someone else, and that was the earmarks. They do exist. They're called the Community Impact Funds, and we were given a nice overview of that program. And so, I'm going to try to reach out to them and set up a meeting where we could talk about some other opportunities that the water and wastewater services could take advantage of in terms of some key projects that we do continue to have needs for. Capital projects update. I guess one person that you see just about as much as I, like myself, is Ms. Megan Pitts. She's up here a lot and that's because she's a busy lady, and the Finance Department is extremely busy working on the procurement process. But we do have obviously just some upgrades, updates, if you will, that have kept her busy and kept the staff busy. Obviously, the wastewater and the water RFQ process has been a lengthy process and we have been very involved in that. The Service Authority chemical invitation to bid, that is a process that is going on right now. And she is working on that. The Perkins decommissioning, which I think is on your to-do list. But the Perkins decommissioning again is taking the wastewater plant offline at Perkins and then coordinating the transfer of that waste service to the Hopyard wastewater plant. And at the same time, install water lines in the cuts that you do for the sewer lines. And so that's a pretty involving process right now. That's a multi-year process, as you know. RK&K is the engineering firm that's working with us on that. I mentioned the

decommissioning of the Dahlgren sludge pond that's underway. And also, the Fairview Beach outfall replacement is also underway. A couple of other contracts that I mentioned that we're also done is the Canterbury monitoring well. The Payne Well, I didn't mention that in my to-do list, but that work has been completed. That's in the Dahlgren area. And that was completed in December. Let's see, I think we've got one or two more. Let's see. And of course, the AMI project is something that we're involved in. And we just started a process for a new pump truck for John. And that's something that is going on right now. But... And the other thing that we're working on is the SCADA upgrades at Hopyard and Fairview Beach. This is Aqua-Aerobic Systems that a PO has been issued for that. SCADA is obviously the process that allows us to have some internal checks and the plant can operate without necessarily being in a manual mode, and that's something that's desperately needed for our folks right now. So, just a upgrade or an update on some of our capital projects. And that is all I have. I'll answer any questions.

0:50:51.6 Chairman Allen Parker: Are there any questions for Mr. Miller? Alright. Thank you, Mr. Miller, for the report. That's it. Just looking for a motion.

0:51:06.9 Carrie Cleveland: I'd like to make a motion to adjourn to February 15th, 2023 at 5:30 in the boardroom unless otherwise advised.

0:51:21.0 Cathy Binder: Second.

0:51:24.2 Chairman Allen Parker: Motion's been made and seconded. Is there any discussion? All those in favor?

0:51:28.2 Cathy Binder: Aye.

0:51:28.9 Carrie Cleveland: Aye.

0:51:29.1 Ann Cupka: Aye.

0:51:29.5 Jim Morris: Aye.

0:51:29.7 Chairman Allen Parker: Chair votes aye. Motion carries. We are adjourned till Wednesday, February 15th at 5:30 PM here in the boardroom.