

MIDDLESEX WATER AUTHORITY

AGENDA

September 21, 2022

6:00 P.M.

CALL TO ORDER

1. Public Comment
2. Consent Agenda (*Pages 3-13*)
 - A. Minutes – July 20, 2022
 - B. Expenses for FY 23 and other reports
3. Reports from Officers and Staff
 - A. Construction Update – Ken Baybutt
 - i. Wilton Creek Road Update – Jim Nagy
 - ii. Installation Update – Jim Nagy (*Page 14*)
 - B. Operation Update – Robert Finch
 - C. Connection Fee Breakdown & Outstanding Connections – (*Page 15*)
4. Unfinished/New Business
5. Closed Meeting – Pursuant to Code of Virginia, §2.2-3711.A7, “Consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel.”
6. Public Comment

ADJOURN

Next Regular Meeting – November 16, 2022

Additional Meetings as needed

PUBLIC COMMENT AND PUBLIC HEARING PROCEDURES

General Requirements:

1. The Chair will invite each additional person, other than Authority members and staff attending the meeting, to make a comment.
2. Each speaker will give his or her name and address for the record.
4. Each speaker or individual will be given one opportunity to speak during the Public Comment Period and/or each Public Hearing item.
5. All comments and/or remarks will be addressed to the Water Authority, not the audience.

Public Hearing Order:

1. Presentation of Application by Staff.
2. Chair opens the Hearing for comments from the public.
3. Comments from speaker(s) representing a group:
 - A. Must represent four (4) or more individuals that are also present and can acknowledge that they forfeit their individual time to speak;
 - B. Are allowed 12 minutes to make their presentation(s).
4. Comments from individuals – allowed three (3) minutes each.
5. Chair closes hearing for comments from public.
6. Questions and discussion by Authority members

AT A MEETING OF THE MIDDLESEX WATER AUTHORITY HELD IN THE
BOARD ROOM OF THE HISTORIC COURTHOUSE AT 6:00 P.M. ON
WEDNESDAY, JULY 20, 2022:

Present: Janet Riggs, Chair
Greg Chambers, Vice Chair
James Michael Reed, Treasurer
Carlton S. Revere, Secretary
Lud Kimbrough

Jim Nagy, Executive Director
Heather Lewis, Authority Co-Counsel
Brendan Hefty, Authority Co-Counsel
Holly Gailey, Administrative Assistant
Betty Muncy, Staff Secretary (remotely)

CALL TO ORDER

The meeting was called to order by the Chair, Janet Riggs, at 6:00 p.m.

PUBLIC COMMENT

Mrs. Riggs opened the meeting for public comment. Barry Thomas of Wilton Creek Road expressed thanks to the MWA for bringing water to the County and presented a brief history of efforts to bring water to serve customers on Wilton Creek Road, including negotiation for an easement and conditions required for the same. Mr. Thomas reminded the MWA of the letter written from their Association on May 3, 2022, outlining what they believe to be significant issues with their road. Mr. Thomas emphasized that the Association wishes to be a partner with the MWA in working through the issues.

Stan Coloff, also of Wilton Creek Road, noted that there are now narrowed sections of the road, especially on some of the curves, that present a safety issue for drivers and walkers using the road.

There being no additional comment, the public comment portion of the meeting was closed.

CONSENT AGENDA

The motion to approve items included in the Consent Agenda was made by Mr. Chambers, seconded by Mr. Kimbrough, and carried unanimously. The Consent Agenda included the minutes from the June 22, 2022, meeting, checks numbered 3345-3367, totaling \$94,789.26 from FY 22, checks numbered 3368-3384, totaling \$412,080.93 from FY 23 and Budget Supplements number 2023-01 and 2023-02:

BS FY 2023-01	3-1-011030-0001 Connection Fee Payments (52,833.00) and 3-1-11030-0002 Carry from previous (\$476,374.71)	4-1-089000-0050 Reserve Capital Improvement, \$52,833; and 4-1-089000-0030 Reserve Connection Fee, \$476,374.71
Budget amendments to true-up beginning budget as of July 1, 2022.		

BS FY 2023-02	3-021-024040-0001 Proceeds from USDA (\$411,390.33) and 3-1-041050-1101 Transfer from Construction Fund (\$411,390.33)	4-21-099010-0045 Transfer to Fund 01, Checking, \$411,390.33; and 4-1-099010-0042, Construction, \$411,390.33
Appropriating USDA Funds received in July with Requisition #19 for June construction pay applications.		

REPORTS FROM OFFICERS AND STAFF

Construction Update:

Charlie Beam, Project Manager with Bowman Consulting, reported that Phases 4A, 4B and 4C have been inspected and accepted by the Department of Health and, according to the contractor, these phases should have meters installed and be operational by the end of July; Phases 4D and 4E should have meters completely installed by the end of August. This would make substantial completion at the end of August with the remaining contract time devoted to punch list items.

Outstanding Connection Fees:

An additional \$64,360.00 in connection fees had been collected since the June 20, 2022, report. To date, there is \$338,767.00 remaining due from 66 subscribers.

UNFINISHED/NEW BUSINESS

Easement Acquisition:

Mrs. Lewis reported that the first round of condemnation hearings on June 30 for seven properties went well. Settlements for the appraised values were accepted by the Court and have been paid. Ten roads and two properties, originally scheduled for hearing in November have been settled, leaving 3 remaining private roads for the November 10 hearing.

Mrs. Lewis reminded the Authority that her time with the Authority is winding down as she completes easement acquisition. Brendan Hefty, of Hefty and Gore, will continue as counsel for the Authority. Mrs. Lewis noted that she started working with having to obtain/negotiate 180 easements. This number was reduced to 120 that she was preparing to take to court. By the time she had to have trial dates, the number was reduced to 23. The final number going through the actual hearing process is 13. Mrs. Lewis noted that this was a long, hard task, but a huge accomplishment and one that she has learned much from. She added her pleasure in working with the Authority.

Mr. Walker, as outgoing Director, added his praise for the work Mrs. Lewis has done to complete this task.

The motion to endorse retroactive approval authorizing the Chair or Vice Chair to accept and sign the settlement agreements for Permanent easements on the following private roads was made by Mr. Revere, seconded by Mr. Chambers and carried unanimously: Harromore Ave., Marynetta Ave., Third St, N. Chesapeake Blvd – A, Fourth Street – A, Myrtle Ave., Franklin St., Lilly Trail, Chesapeake Bay Ln., and Richmond Rd.

The motion to endorse retroactive approval authorizing the Chair or Vice Chair to accept and sign the settlement agreements for a Temporary easement at Tax Map 40-32 and a Permanent Easement at Tax Map 40-47-2 was made by Mr. Kimbrough, seconded by Mr. Reed and carried by a vote of 4-0-1, with Mr. Revere abstaining due to a conflict with the owner.

New Staff:

Mrs. Riggs introduced Jim Nagy who will serve as the Executive Director for the Authority and Brendan Hefty who will serve as Legal Counsel for the Authority.

Revision to Rates, Rules & Regulations Policy:

Mrs. Muncy requested several minor revisions to the Policy:

- Page 2: Water Rates for a connected premises – change to 0-3,000 gallons - \$45.00;
- Page 11: Add the \$20.00 Application Fee under Connection Fee
- Page 14: Add a line for Tenant Mailing Address for Billing
- All Applications: add a blank for email addresses

The motion to approve the above revisions to the Policy was made by Mr. Revere, seconded by Mr. Chambers and carried unanimously.

Abatement Request:

Holly Gailey explained that Customer 128 was connected and began consuming water in February, but for the next several months received bills of \$45.00 per month with zero consumption, which were paid. The customer's first bill showing consumption

was not received until May for over \$400, which was too much for them to pay at one time. The customer is not denying that they consumed the water, only that it was not fair that they were not billed in a timely manner, which now will cause them to incur penalties and interest because their budget will not allow them to pay it in a lump sum. The customer is a family of six, and has been a water customer in another locality, so they are familiar with their water usage and expense. The request is to be waived from the additional consumption over the 3,000 gallons per month that they have already paid for, plus any penalty and interest, an amount of \$323.31.

Ms. Gailey noted that now is the time to formulate good relationships with customers and she agreed that this billing was not fair. Mr. Walker also noted that this is one of those wrinkles that as a new system the Authority is going to have to work through. He agreed with the recommendation that the overage be waived, especially since the meter appeared not to have been read for several months; he did not believe that this would set a precedent. Mr. Chambers noted that the usage could be divided over the months to see what the average usage would have been and if it went over the what was allotted in the monthly fee.

In another matter, Ms. Gailey commented that she has experienced disgruntled customers charged late fees because of postal service delays in delivering bank issued payments that were dated several days in advance of the due date. Mr. Walker commented that there is potential with the billing software that bills could be issued electronically and payments accepted electronically, at least through auto-bill pay. Mr. Walker suggested waiting until the beginning of the year, after all customers have come online, to incorporate this feature. Ms. Gailey also noted that any third-party debit or credit option would carry additional fees. The County Treasurer's office uses PayGov.us, which charges a fee of 2.45%. Mrs. Muncy added that she and Ms. Gailey met in March with bank representatives regarding the electronic lock box feature to receive bill-pay payments electronically and the electronic deposit feature for depositing handwritten checks. Both features have monthly fees attached to them. Payment information would still have to be entered into the billing software.

Mr. Chambers stated he believed that payments generated through electronic banking should be credited by the date of the check if there is a concern of it being posted as delayed because of the postal service. The policy in the Treasurer's office with late real estate and personal property payments is to retain the envelope or any documentation that can prove the payment was dated/made by the due date to avoid penalties and interest to the customer.

In addition, Ms. Gailey expressed frustration with not being able to access the accounting software as needed, which makes it difficult to post payments and to handle customer questions when they call about their account. She noted that she did not want to be the cause of a customer being penalized with a late fee because she was not able to access the system. Ms. Gailey and Mr. Nagy will be discussing this issue with Carole Finch, who handles the billing.

Ms. Gailey reminded the Board that the postcard bill itself is mailed, which could add to delays in payment if it is not received by the customer timely. The only option there would be for the customer to pre-pay their bill, which is not fair either. Mr. Revere suggested some flexibility in applying a late penalty while the system is being worked out, possibly extending it to after 40 days initially and gradually backing it to the posted 25 day.

Regarding Customer 128, Mr. Revere made a motion to charge the average monthly bill and waive the fees charged. This motion was seconded by Mr. Chambers and carried unanimously.

The motion to allow staff to make late fee adjustments as needed until January 1, 2023, was made by Mr. Revere, seconded by Mr. Kimbrough and carried unanimously.

Retroactive Approval of Phase 4, Pay Application #19:

Mrs. Riggs noted that in the past, Mr. Chambers, as Chair, would sign pay applications for construction. In the transition of Mrs. Riggs to Chair, Mr. Chambers would still be responsible for the construction project, while she would be more with operations. The motion to grant retroactive approval for Mr. Chambers' signing of Phase 4 Pay Application #19 in the amount of \$372,924.83, for J. Sanders Construction was made by Mr. Reed, seconded by Mr. Revere and carried by a vote of 4-0-1, with Mr. Chambers abstaining.

Authorization to Execute Payments Related to Construction Expenses:

The motion to authorize the Vice Chairman, Mr. Chambers, to execute payments related to construction expenses for the remainder of the project was made by Mr. Kimbrough, seconded by Mr. Revere and carried by a vote of 4-0-1, with Mr. Chambers abstaining.

New Business Item:

Mr. Revere requested that Wilton Creek Road be added to the next agenda for an update on the concerns of their Association.

After Hours Contact:

Mr. Revere noted that there needed to be a clear process of emergency/after-hours contacts on the website. Mrs. Muncy noted that Mr. Nagy and Mr. Finch are working on that. Mr. Chambers also commented that the RFP for emergency work and new installations was being reissued.

PUBLIC COMMENT

Claiborne Irby, representing the Stove Point Improvement Association, stated that his Association also wanted the opportunity to sign off on the construction and restoration on their road/properties.

ADJOURN

There being no further business, the motion to adjourn until the next regular meeting to be held on September 21, 2022, was made by motion of Mr. Chambers, seconded by Mr. Revere, and carried unanimously.

Janet Riggs, Chair

DRAFT

CHECKS WRITTEN SINCE LAST MEETING

Written	Check Number	Payee	Account		Amount
8/1/2022	3385	Matthew L. Walker	Director	Stipend	\$ 2,000.00
8/1/2022	3386	Betty S. Muncy	Assistant	Stipend	\$ 1,500.00
8/5/2022	3387	R. P. Finch, Inc.	Maintenance Contracts	July Services	\$ 4,078.75
8/5/2022	3388	Virginia Utility Protection Svc	Maintenance Contracts	7220313	\$ 65.10
8/5/2022	3389	Briglia Hundley	Construction	legal services - 17105	\$ 3,525.00
8/5/2022	3390	James Nagy	Office Supplies	business cards	\$ 54.75
8/5/2022	3391	Virginia Dept of Health	licenses & Permits	waterworks license	\$ 129.00
8/5/2022	3392	Southside Sentinel	Advertising	ad for increased rates	\$ 57.00
8/5/2022	3393	Univar	Water System Supplies	\$1171, \$412.12, \$620.20, \$308.08	\$ 2,511.40
8/15/2022	3394	J Sanders Construction	Construction	Pay App #20	\$ 56,467.71
8/17/2022	3395	Waco, Inc.	Construction	Pay App #14 & Pay App #15	\$ 89,337.77
8/29/2022	3396	Dominion Energy	Electricity	Rosegill - \$830.07	\$ 830.07
8/29/2022	3397	J. Sanders Construction, Inc.	Emergency Repair	2009-1A Fishing Bay Rd/Sunrise Point Rd	\$ 528.21
8/31/2022		Truist	bank charge		\$ 7.50
9/1/2022	3398	Matthew L. Walker	Director	Stipend	\$ 2,000.00
	3399	void			
9/1/2022	3400	Betty S. Muncy	Assistant	Stipend	\$ 1,500.00
9/8/2022	3401	R. P. Finch, Inc.	Maintenance Contracts	August services	\$ 6,410.00
9/8/2022	3402	Virginia Utility Protection Svc	Maintenance Contracts	8220310	\$ 219.45
9/13/2022	3403	Amazon	Office Supplies	ink cartridges	\$ 519.98
9/15/2022	3404	Univar	Water System Supplies	50551444-\$1063.90, 50558834- \$208.63	\$ 1,272.53
9/15/2022	3405	Kamstrup	Billing	Meter reading software & interface	\$ 6,434.00
9/15/2022	3406	Bowman Consulting	Construction	349259 - easement appraisal	\$ 3,000.00
9/15/2022		Truist	Other	car magnets	\$ 144.44

TOTAL WRITTEN SINCE LAST MEETING \$ **182,592.66**

Beginning Balance 7-1-21 \$ 902,334.71

Deposits to Date \$ 913,781.68

Less Checks written to Date \$ 594,673.59

Available Balance Regular Checking \$ 1,221,442.80

CONSTRUCTION ACCT FOR DEPOSITS FROM USDA AND CO-BANK

Date	Action	Credit to Account	Debit to Account	Balance
5/23/2022	Bank Charge - prior period		\$ 72.00	\$ 338,607.39
6/15/2022	ACH from USDA for Reimbursement/Requisition #18	\$ 489,437.46		\$ 828,044.85
6/15/2022	Transfer to Checking		\$ 466,044.85	\$ 362,000.00

MIDDLESEX WATER AUTHORITY

REVENUE

Adopted - FY 23

Account Number
3-1-

**(Over Budget
Amt)/Under
Budget**

Adopted - FY 23 **Amended Budget
FY22** **Actual Revenue**

Operating

011030-0010	User fees
011060-0001	Interest
011070-0001	Late Fees
011080-0001	Application Fee
018990-0001	Miscellaneous Revenues/Donations
018990-0005	Sale of Material and Supplies
018990-0010	Sale of Assets; Sale of Wholesale Water
031625-0005	Economic Dev. Authority Grant/loan
031625-0010	Grants - Other
031625-0015	Middlesex County Grant
031625-0016	Middlesex County loan(s)
031700-0100	Review Fees
041050-1101	Transfer from Construction Acct.
	Transfer from Reserve
041060-0001	Carry over from Fund Balance

\$ (555,660.00)	\$ (555,660.00)	\$ (61,815.35)	\$ 493,844.65
			\$ -
\$ (1,000.00)	\$ (1,000.00)	\$ (1,241.00)	\$ (241.00)
		\$ (160.00)	\$ (160.00)
		\$ (715.00)	\$ (715.00)
			\$ -
		\$ (280.00)	\$ (280.00)
			\$ -
			\$ -
\$ (257,000.00)	\$ (257,000.00)	\$ (257,000.00)	\$ -
			\$ -
			\$ -
	\$ (411,390.33)	\$ (411,390.33)	\$ -
			\$ -
			\$ -

\$ (813,660.00) \$ (1,225,050.33) \$ (732,601.68) \$ 492,448.65

Reserve

011030--0001	Connection Fees/Deposits
011030--0002	Carry from previous
011030-0005	Cook Corner Capital Prj. Reserve
011030-0006	River Communities Grant
	Transfer to Reserve

\$ (452,000.00)	\$ (399,167.00)	\$ (181,180.00)	\$ 217,987.00
\$ (1,393,100.00)	\$ (916,725.29)		\$ 916,725.29
			\$ -
\$ (12,000.00)	\$ (12,000.00)		\$ 12,000.00
			\$ -

TOTAL RESERVE

\$ (1,857,100.00) \$ (1,327,892.29) \$ (181,180.00) \$ 1,146,712.29

MIDDLESEX WATER AUTHORITY

EXPENSE

Operating

ADOPTED FY 23

Account Number 4-1-

		<u>Adopted Budget</u>			
		<u>2023</u>	<u>Amended Budget</u>	<u>Actual Expense</u>	<u>Available Funds</u>
010010-7002	Debt Service	\$ 250,481.00	\$ 250,481.00		\$ 250,481.00
012010-1001	Compensation				\$ -
012010-1003	Compensation - PT	\$ 72,200.00	\$ 72,200.00		\$ 72,200.00
012010-2001	FICA				\$ -
012010-2002	VRS				\$ -
012010-2005	Hospital/Medical				\$ -
012010-2006	Group Life Insurance				\$ -
012010-2014	Car Allowance				\$ -
012010-2016	Phone Allowance				\$ -
012010-3002-101	Director	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ -
012010-3002-102	Legal Counsel	\$ 18,000.00	\$ 18,000.00		\$ 18,000.00
012010-3002-103	Engineering				\$ -
012010-3002-104	Administrative Assistant	\$ 4,500.00	\$ 4,500.00	\$ 4,500.00	\$ -
012010-3002-105	Accounting				\$ -
012010-3002-106	Audit	\$ 7,500.00	\$ 7,500.00		\$ 7,500.00
012010-3002-107	Information Technology	\$ 1,000.00	\$ 1,000.00		\$ 1,000.00
012010-3003	Bank Service Charges	\$ 250.00	\$ 250.00	\$ 7.50	\$ 242.50
012010-3006	Printing	\$ 250.00	\$ 250.00		\$ 250.00
012010-3007	Advertising	\$ 500.00	\$ 500.00	\$ 57.00	\$ 443.00
012010-5101	Electricity	\$ 36,000.00	\$ 36,000.00	\$ 1,766.15	\$ 34,233.85
012010-5201	Postage	\$ 1,000.00	\$ 1,000.00		\$ 1,000.00
012010-5203	Telephones				\$ -
012010-5401-301	Office Supplies	\$ 400.00	\$ 400.00	\$ 589.29	\$ (189.29)
012010-5401-305	Water Supplies	\$ 7,000.00	\$ 7,000.00		\$ 7,000.00
012010-5401-310	Equipment Supplies	\$ 500.00	\$ 500.00		\$ 500.00
012010-5401-320	Educa. Supplies & Publications				\$ -
012010-5411	Books and Subscriptions				\$ -
012010-5501	Travel (Mileage)	\$ 2,000.00	\$ 2,000.00		\$ 2,000.00
012010-5503	Travel (Subsistance & Lodging)	\$ 1,000.00	\$ 1,000.00	\$ 99.76	\$ 900.24
012010-5504	Convention and Education	\$ 1,000.00	\$ 1,000.00	\$ 500.00	\$ 500.00
012010-5801	Dues & Association Memberships	\$ 1,000.00	\$ 1,000.00		\$ 1,000.00

MIDDLESEX WATER AUTHORITY

Account Number 4-1-		Adopted Budget			
		2023	Amended Budget	Actual Expense	Available Funds
012010-5803	Connection Fees/Deposits Refunds				\$ -
012010-5804	Refunds				\$ -
012010-7002	Furniture and Office Equipment				\$ -
012010-7007	ADP Equipment	\$ 1,000.00	\$ 1,000.00		\$ 1,000.00
012190-2011	Worker's Comp			\$ 500.00	\$ (500.00)
012190-5308	General Liability	\$ 5,000.00	\$ 5,000.00	\$ 21,648.00	\$ (16,648.00)
012190-5320	Other	\$ 500.00	\$ 500.00	\$ 144.44	\$ 355.56
043020-3003-101	Billing			\$ 6,434.00	\$ (6,434.00)
043020-3003-102	Water Testing				\$ -
043020-3003-103	Sludge Hauling and Disposal				\$ -
043020-3005	Maintenance Service Contracts	\$ 155,000.00	\$ 155,000.00	\$ 15,170.70	\$ 139,829.30
043020-3010	Water System Maintenance	\$ 120,000.00	\$ 120,000.00		\$ 120,000.00
043020-3012	Water System Supplies			\$ 3,783.93	
043020-3015	Emergency Maintenance			\$ 528.21	\$ (528.21)
043020-3020	Licenses and Permits			\$ 129.00	\$ (129.00)
089000-0010	Contingencies	\$ 121,579.00	\$ 121,579.00		\$ 121,579.00
099010-0042	Construction - Eastern Middlesex Water Project		\$ 411,390.33	\$ 532,815.61	\$ (121,425.28)
099010-0043	Construction - Cooks Corner System				\$ -
	Land purchase				\$ -
Total Operating		\$ 813,660.00	\$ 1,225,050.33	\$ 594,673.59	\$ 634,160.67
Reserve and Capital					
089000-0030	Reserve Connection Fee/Deposits - Deltaville	\$ 1,393,100.00	\$ 916,725.29		\$ 916,725.29
089000-0050	Reserve Capital Improvement	\$ 452,000.00	\$ 399,167.00		\$ 399,167.00
099010-0041	Capital Improvement				\$ -
043020-3030	RCCF Grant - Water Connection Assistance Program	\$ 12,000.00	\$ 12,000.00		\$ 12,000.00
89000-0060	Rosegill property purchase reserve				\$ -
Total Reserve and Capital		\$ 1,857,100.00	\$ 1,327,892.29	\$ -	\$ 1,327,892.29
TOTAL Expenditures		\$ 2,670,760.00	\$ 2,552,942.62	\$ 594,673.59	\$ 1,962,052.96

Phase 4 Installation Progress

Phase	Accounts	Original Customers		New Customers		All Customers		Original Customers		New Customers		All Customers	
		Meter Boxes Installed	% Boxes Installed	Meter Boxes Installed	% Boxes Installed	Meter Boxes Installed	% Boxes Installed	Meters Set	% Meters Set	Meters Set	% Meters Set	Meters Set	% Meters Set
4A	35	28	100%	0	0%	28	80%	27	96%	0	0%	27	77%
4B	125	115	97%	4	57%	119	95%	106	90%	4	57%	110	88%
4C	90	66	92%	8	44%	74	82%	63	88%	5	28%	68	76%
4D	155	133	89%	3	60%	136	88%	123	82%	3	60%	126	81%
4E	180	100	67%	19	63%	119	66%	84	56%	19	63%	103	57%
Total	585	442	85%	34	51%	476	81%	403	78%	31	46%	434	74%

Total New Customers:	67
Total Original Customers	518

Meter Boxes w/o meters:	42
Meter Boxes to be installed:	109
Total Meters Installed:	434

Data through 9/15/22.

