

AT A MEETING OF THE MIDDLESEX WATER AUTHORITY HELD IN THE
BOARD ROOM OF THE HISTORIC COURTHOUSE AT 6:00 P.M. ON
WEDNESDAY, JUNE 22, 2022:

Present: Greg Chambers, Chair
Janet Riggs, Vice Chair
James Michael Reed, Treasurer
Lud Kimbrough

Absent: Carlton S. Revere, Secretary

Matt Walker, Executive Director
Heather Lewis, Authority Attorney (remotely)
Betty Muncy, Staff Secretary

CALL TO ORDER

The meeting was called to order by the Chairman, Greg Chambers, at 6:00 p.m.

PUBLIC COMMENT

Mr. Chambers opened the meeting for public comment. There was no public present, the public comment portion of the meeting was closed.

ELECTION OF OFFICERS

Nominations were taken for positions effective July 1, 2022. Mr. Chambers nominated Mrs. Riggs as Chair; Mrs. Riggs nominated Mr. Chambers as Vice Chair. The motion to accept the slate of officers and appoint Mrs. Riggs as Chair and Mr. Chambers as Vice Chair was made by Mr. Kimbrough, seconded by Mr. Reed, and carried unanimously.

The motion to reappoint the following – Mr. Revere as Secretary, Mr. Reed as Treasurer and Mrs. Muncy as Deputy Treasurer and Clerk was made by Mr. Reed, seconded by Mr. Kimbrough, and carried unanimously.

CONSENT AGENDA

The motion to approve items included in the Consent Agenda was made by Mr. Kimbrough, seconded by Mrs. Riggs, and carried unanimously. The Consent Agenda included the minutes from the May 18, 2022, meeting, checks numbered 3324-3344, totaling \$1,055,924.28, and Budget Supplement number 2022-18:

BS FY 2022-18	3-021-024040-0001 Proceeds from USDA; 3-1-041050-1101	4-21-099010-0045 Transfer to Fund 01 – checking; 4-1-
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	Transfer from Construction – (\$466,044.85); and	099010-0042 Construction - \$466,044.85; and
	3-1-11030-0001 Connection Fee Deposits (Original) (\$542,864.30)	4-1-99010-0042 Construction, \$542,864.30
Appropriating a portion of USDA funds received to be applied to Requisition #18 for May pay applications and reimbursement requested in June 2022 and appropriating a portion of original project connection fees to be used for an April Construction Pay Application. A total of \$489,437.46 was received; \$13,865.40 was left in the construction account to reimburse the account for deductions.		

REPORTS FROM OFFICERS AND STAFF

Construction Update:

Charlie Beam, Project Manager with Bowman Consulting, presented updates on each construction phase. Mr. Beam reported that Phases 3A and 3B have been accepted by the Department of Health for temporary operations permits while the remaining VDOT and MWA punch list items are being completed. The 3B pump station is now fully operational and operating normally after some issues with a pump valve. The issues should be covered by warranty.

Progress continues to be made on Phase 4 and line flushing has resumed. Flushing dates sub-phases have been updated as follows:

- A – Main trunkline (General Puller Hwy) – by the end of the current week
- B – Fishing Bay/Stove Point; C – Roads on north side of Route 33; and D – Stingray Point by mid-July.

There are some delays with backordered supplies for completing the project to include the line/meter installations for “new” subscribers.

Outstanding Connection Fees:

Mrs. Muncy reported that an additional \$48,780.00 in connection fees had been collected since the May 18, 2022, report. To date, there is \$403,127 remaining due from 78 subscribers.

UNFINISHED/NEW BUSINESS

Easement Acquisition:

The motion to endorse retroactive approval authorizing the Chair or Vice Chair to accept and sign the settlement agreements for the following was made by Mrs. Riggs, seconded by Mr. Kimbrough, and carried unanimously: Temporary easement for Tax Map numbers 40-32 and Permanent Easement for Tax Map 40-47-2.

Mrs. Lewis reported that she will begin her first round of litigation on June 30 for seven properties – one a known property owner and six others are roads with no known owners. The November 10 hearings will be for 13 roads and two properties with unknown owners. She believes that she will have reached a settlement agreement for 7 of those roads.

Connection for YMCA:

Mr. Walker presented a request from the YMCA for the MWA to honor the original connection fee for this property. The YMCA is a lessee on property currently owned by the County. As Mr. Walker explained, there had been earlier discussions between the County and the YMCA over who would pay the connection fee; this was back when consideration was being given by the County to donating the property to the YMCA. Mr. Walker recommended honoring the original connection fee amount; the Board of Supervisors has authorized the connection and an owner/tenant form has been completed. Mr. Chambers added that representatives of the YMCA had believed the County was taken care of the fee and did not believe they should be punished for that. The motion to authorize a 1" service connection at a fee of \$12,500.00 was made by Mr. Kimbrough, seconded by Mr. Reed, and carried unanimously.

Abatement Request:

The Authority reviewed a written request from John and Caroline Guy of 1901 Wilton Creek Road requesting abatement on their invoices for service covering two billing cycles - April and May 2022. The request explained that the Guy's service was not connected until April 19, and they were out of town for portions of the period from April 19 – 30 to use the water, yet they were billed for over 9,000 gallons used. Billing for May showed over 8500 gallons used. Upon receiving the first bill, Mrs. Guy stated that she immediately contacted the billing office to have it investigated. Nothing was initially found on the MWA side, and they were advised on how to check for inside leaks. After no leaks were discovered there, they checked the meter area again and found a "huge" puddle, which they believe the operator should have seen with his investigation. Their plumber came back to the site on May 16 and tightened a connection to the pipe that he had previously installed. The plumber did not charge for the return trip.

Holly Gaily added that Mr. and Mrs. Guy believe that because this is a new system with a learning curve for everyone, and because the usage was not caused by a running hose or toilet, but a loose connection that they believe could have been caught by the inspector or operator, they should be granted at least some abatement of the bill. Each invoice totaled a little over \$100; both have been paid in full.

Mr. Walker noted that the Authority does have an abatement policy, but abatement, if any, would result in the customer paying an amount equal to 1.5 the cost of average usage over the previous twelve months or the total amount of the bills, whichever is less. In this case, there is no history of use to go by; there is the minimum monthly charge of \$45, which if used, would result in payment of \$67.50 per month.

Mr. Chambers cautioned that there is a potential for a substantial number of initial leaks. This decision will not just impact this one customer but could potentially be a lot of customers and a lot of dollar impact.

Ms. Gailey addressed the concern of having hundreds of requests, noting that not all high usage bills will be the fault of the one that did the installation. Many will be because of leaking toilets or actual high usage, which should be viewed differently. Keeping in mind the costs of operations incurred, and a case of human error when the connection was made, there is a basis to share those costs. Down the road, there will be other factors to consider, such as history.

Mr. Chambers questioned the operator, Mr. Finch, for his experience with this situation, noting that he considers the situation of excess usage at starting up a system to be different than a year from now and dealing with a leaking toilet. With his experience of new systems and older homes, Mr. Finch said there would be issues, and, in most cases, the problems are on the customer side. Mr. Finch noted that it will take working with the customer and use of optical eye equipment that will show hour by hour usage.

Mr. Chambers noted that in this case, the issue was not the fault of the customer, but his plumber, who graciously did not charge them to correct the problem, but also did not offer to cover the additional cost of the water usage. Mrs. Muncy added that this customer also believed that the County inspector should have caught the loose connection, or the operator should have seen it. Mr. Finch noted that he had seen water in the ditch downstream from the location, but none at the meter.

Mrs. Riggs questioned who responded to the customer's concerns and if there was a delay and why. Mr. Walker noted that County inspectors made the initial inspection, and the operator made a site visit as soon as he could. Mrs. Lewis asked if there is a policy for inspecting after a reported problem. In this case, the customer said that they had to request a second time for an inspection, days later. Mr. Finch commented that he believed that to be the case. Mrs. Riggs stated that where there is the potential for significant amounts of money to be incurred, there needed to be better documentation of what happened, on what date, and who is responsible for what actions.

Mr. Walker also noted that the abatement policy could be seen as a "reward" for those customers that take action to repair leaks, as opposed to those that just avoid.

Mr. Kimbrough noted that in this case, it was the plumber that was at fault. However, he could also see the customer's assumption of there being a problem on the MWA side if there is water standing at the meter.

Mr. Chambers noted, that while this case has a small dollar impact, there is a potential for hundreds of dollars being charged for leaks. Mr. Chambers suggested that while the Authority is in this "start-up" time, it should follow the established policies before making any changes to them, such as setting thresholds. It is still at the Authority's discretion on whether to grant relief or abatement. Mr. Chambers suggested that in this case, he believed it reasonable to consider the customer paying 1.5 times the amount of

the minimum bill. In future cases, there can be averages of usage or consideration of thresholds of what is considered an “unusually high water bill”. Mr. Finch noted his concurrence.

Ms. Gailey noted that as time goes on, there will need to be education of the customer. She added the benefit of using the optical eye to educate them on individual usage and potential leaks.

The motion to abate the portion of the bill over 1.5 times the regular minimum for April and May, for this case, was made by Mr. Kimbrough, seconded by Mr. Reed, and carried unanimously.

FY 23 Budget:

Mr. Walker noted that the budget being presented is the same as was presented at the last meeting, an operating budget of \$813,660 and reserve/capital budget of \$1,857,100, for a total budget of \$2,670,760. Budget adjustments would be needed after July 1 to adjust in the reserve carry-over and new connection amounts.

Mr. Walker and Mrs. Muncy addressed questions on several line items. Revenues have been projected very conservatively. Mr. Walker noted that one of the first tasks with the new executive director would be to go through the sustainability model and working current revenues into a monthly model and projections. Mr. Walker encouraged the MWA not to reduce rates until there are at least two years of data.

The motion to adopt the FY 23 budget in the amount of \$2,670,760.00 was made by Mrs. Riggs, seconded by Mr. Reed, and carried unanimously.

CLOSED SESSION

The motion to convene in a Closed Session, pursuant to Code of Virginia, §2.2-3711.(A)(1) for the consideration and discussion of personnel matters, specifically the position of executive director, was made by Mr. Reed, seconded by Mr. Kimbrough, and carried unanimously. Mr. Finch was invited to remain for the Session. Upon reconvening in open session, the following motion was made by Mr. Kimbrough, seconded by Mr. Reed, and carried unanimously:

To the best of the members’ knowledge, only public business matters lawfully exempted by the motions for which they were called, were discussed or considered in closed session.

There was no action as a result of the Closed Session.

PUBLIC COMMENT

There was no one present to make public comment.

ADJOURN

There being no further business, the motion to adjourn until the next regular meeting to be held on July 20, 2022, was made by motion of Mr. Kimbrough, seconded by Mr. Reed, and carried unanimously.

Greg Chambers, Chair