

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 21, 2021:

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

Absent: Lud Kimbrough

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

CALL TO ORDER

This being the annual meeting of the Water Authority, the meeting was called to order by the Director, Matt Walker. Mr. Walker requested nominations for the positions of Chair, Vice Chair and Secretary. The motion to reappoint the current slate of officers, Chairman – Greg Chambers, Vice Chair – Janet Riggs, Secretary – Carlton Revere and Treasurer – James Reed, was made by Mrs. Riggs, seconded by Mr. Revere and carried unanimously. Mr. Chambers resumed chair of the meeting. Regular meetings are held on the third Wednesday of odd numbered months, at 6:00 p.m. There was no motion to change this schedule.

PUBLIC COMMENT

Mr. Chambers opened the meeting for public comment. Barry Thomas, President of the Wilton Creek Homeowners Association expressed his and the Association's appreciation to Greg Chambers and Heather Lewis to get the easement for Wilton Creek Road finalized. Mr. Thomas added that as the project moves into the construction phase for their area, he hopes to see some engineering plans and to be able to share a number of features of the road to allow benefit to the construction process. He also asked that the Authority not forget the notion of directional boring as a possibility for installing waterline along Wilton Creek Road, as has been done along many other private roads.

MINUTES

Minutes from the meeting of June 16, 2021, were considered. The motion to approve the minutes as written was made by Mrs. Riggs, seconded by Mr. Reed, and carried unanimously.

FINANCIAL

Mr. Revere questioned how the issues were handled when the contract is “complete”, but water is not available for his testing? Mr. Walker noted that there is retainage held with each contract. He also noted that although most of the waterline installation may be complete on a phase, there are still the vaults and meters to be installed, which will take at least another month or more. There is also a plan for providing water for testing. Mr. Revere expressed his concern that the retainage is not sufficient, especially for a system that has not been tested. Mr. Walker noted that this will be addressed in the next engineering coordination meeting with Bowman.

The motion to approve checks written since the last meeting, from FY 21 - numbers 3083 - 3094, totaling \$1,932,721.36, and from FY 22 - numbers 3095 – 3101, totaling \$15,758.00, was made by Mr. Revere, seconded by Mr. Reed and carried unanimously. It was noted that a stop payment had been issued for a lost check, number 3086 written to Garney Corporation for \$222,300.00; and the check was reissued in July.

The motion to approve Budget Supplements FY 2021-09 and FY 2022-01 was made by Mr. Revere, seconded by Mr. Reed and carried unanimously.

BS 2021-09: 3-1-041050-1101 Transfer from Construction Fund	- \$1,925,330.89
4-1-099010-0042 Construction	\$1,925,330.89

Appropriating a portion of USDA funds received 6/18/21 (total \$1,925,934.89) to fund Requisition #7 for Construction and Inspection Services.

BS 2022-01: 3-1-011030-0002 Carry from Previous	- \$11,100.00
4-1-089000-0030 Reserve Connection Fee	\$11,000.00
Deposits (original project)	
4-1-89000-0050 Reserve Capital Imprvmt	\$ 100.00

The budget adopted on 6/16/21 included a \$1800 overage in carry-over revenue (was shown as \$642,725 & should have been \$640,925). A deposit of \$13,000 was made on 6/18/21, that included \$12,900 of connection fees. This amendment will correct the original error and increase the carry-over by the additional deposit amount. ((\$12,900 - \$1800 - \$11,100).

REPORTS FROM OFFICERS AND STAFF

Easement Update:

Mrs. Lewis noted that the count on easements needed is approximately 75, but for each one she obtains, it seems that two more are needed.

Construction Update:

Charlie Beam, Construction Manager with Bowman Consulting, reported on construction. Phase 1A – 74%% complete based on invoicing, with a lot of the electrical and mechanical equipment in place. Construction of the tank should begin July 26, which may slip to the next week if they go to Phase 3B first. Pumps are set and the water

system is tied in; still some piping in the pumphouse to tie into the pump skid. The building is dried in, but roof needs to be installed. Piping for Well 1 has been installed, so it is ready to pump. Phase 1B and 2– 92% complete; majority of pipe is in the ground, but still have some smaller things to complete, including installing some pressure relief valves and making the connection to Phase 3A. Work is on-going to acquire temporary water from 1A for testing the lines and this is being coordinated with the Phase 3A contractor, because they will also need the water. Still have some piping on Greys Point Road; estimated 2 weeks to completion. Phase 3A – 20% complete; working two separate crews; having some issues with getting surveyor and Miss Utility to mark multiple sections ahead; having issues getting new material but have plenty stockpiled for right now. Phase 3B – 32% complete; building is complete, getting ready to form and pour the ring wall foundation for the tank bottom; tank erector is scheduled to be on site July 26. Phase 4 – 32% complete; most of 6” line along Riverside Drive is in. Property owners have been getting white flags from inspectors to select alternative meter locations. Directional drilling is going along much better and much more efficiently, since a subcontractor has been replaced. Having some issues with subcontractors and their schedules, as one may be approaching a location for tie-in sooner than another gets there.

As a reminder to citizens, Mr. Walker noted that the balances on connection fees are due before meters are set. It is hopeful that Phases 1 and 2 will be operational by Thanksgiving.

UNFINISHED/NEW BUSINESS

Request for Easement Compensation:

The Authority reviewed a request from Mr. Thomas Lee, owner of property at 279 Honeysuckle Lane. According to a letter received from Mr. Lee, when he met with a representative of Bowman Consulting in May 2020 regarding acquiring an easement, he was told he would be compensated \$850.00. Mr. Lee had contacted Mrs. Muncy in June 2021, because he had never received his payment. Mrs. Muncy had explained that he had signed an easement document in November 2019 and should not have been contacted by Bowman. Mr. Lee indicated that he did not understand what he had signed in 2019 and he would not have given an easement voluntarily. He requested the Authority honor the agreement made with the Bowman representative for \$850.00 in compensation.

Mrs. Lewis stated that she had requested an explanation from the Bowman easement acquisition team on June 14, as to why Mr. Lee was contacted when an easement was already in place; there was no response. Mr. Revere did not believe any additional information would change the outcome. The information included with the initial request was clear, that the Authority was requesting that the easements be donated, which Mr. Lee did. Mr. Walker noted that it is the USDA's position that because the availability of water is an improvement to the property, there should be no compensation. Mr. Revere made a motion to deny the request which was seconded by Mrs. Riggs and carried unanimously by the members that were present.

Mr. Revere asked Mrs. Lewis to request a representative from Bowman acquisitions to attend the next meeting.

Request for Reduced Connection Fee:

Mrs. Agnes Statia Smith was present, along with her son-in-law, Todd Seldon. Mrs. Smith stated that she owns property at 86 Sunsan Beach Road and had donated an easement. Mrs. Smith requested that she be offered the original connection fee of \$4,000.00 offered to property owners along the route and that she be given this consideration because her family had been long-time owners of the property (fourth generation) and she had been dealing with health and family issues last winter as the deadline before the next fee increase approached. The fee had been at \$5,000 since July 2017, and was increased to \$7,500, effective January 1, 2021.

Mr. Seldon added that at the time, the easement was donated for the good of the community, but that the family had to focus on other issues happening at the time and could not address the cost of connecting or trying to meet the December deadline. Mr. Seldon added that since the waterline was already going by the property the request was being made to connect at the original fee, which would also lower their financial burden. A written request from Mrs. Seldon requested the fee be reduced to \$5,000; Mrs. Smith and Mr. Seldon requested the original \$4,000.

Mr. Walker recommended against the reduction, noting that the fees had been set at the reduced rates for so long, with the dates set that the fees would increase, and there had to be a line drawn somewhere. Mr. Chambers noted that the project would not have gone through without the almost 500 subscribers who committed initially at the \$4,000 level. Even with the number of subscribers today, the capital cost per connection is over \$40,000. Mr. Revere questioned how many requests have been made since January 1 for a reduction in the fee. Only one request other has been made in writing; Mr. Walker has had approximately 10 verbal requests and Mrs. Lewis has had several. Mr. Revere noted that it is not a question of wanting to grant the request but having to be fair to all others who have abided by the deadlines. For the purpose of further discussion, Mr. Revere made a motion to approve the request for reducing the connection fee to \$5,000. There was no second to the motion and no further action taken. The current connection fee for this property remains at \$7500.00.

Mr. Walker also added that the grant program was available for those that needed financial assistance with the connection fee. Mr. Seldon noted that they would not qualify for that but had hoped for consideration based on the lifetimes they had spent in Deltaville.

Meter Relocation – Fishing Bay Yacht Club

Fishing Bay Yacht Club has requested that the meter for 1525 Fishing Bay Road be moved from its current location on Tax Map 40-394 to a location approximately 125' east onto Tax Map 41-67. This new location would be on the same side as the waterline, which would eliminate the cost of crossing Fishing Bay Road. A revocation agreement

and new agreement would be necessary. The motion to approve revoking the current agreement on Tax Map 40-394 and relocating the meter to Tax Map 41-67, conditioned on submission and recording of the required documents and all fees being paid by the application, was made by Mr. Revere, seconded by Mrs. Riggs and carried unanimously

Easement – Wilton Creek Road

The motion to accept the easement with the Wilton Creek Improvement Association, Inc. for the easement along Wilton Creek Road and authorizing the Chairman to sign the easement document, was made by Mrs. Riggs, seconded by Mr. Reed

Contract – Billing, Operation & Maintenance

Mr. Walker reported that he and the Chairman had negotiated a contract with the highest ranked company, R. P. Finch, Inc., to perform operation, maintenance, and billing services for the Authority. Mr. Walker requested authorization for himself or the Chair to sign the contract and to have Mr. Finch on board to begin operation work August 1, with billing starting later. This would also give Mr. Finch time to begin recruitment and hiring of an Op-Tech position, who would be trained, if necessary, to handle day-to-day operations. Mr. Walker added that this company appears to be the right-size for this system, for at least the next 2 – 5 years. It has been suggested that Draper Aden, the firm being used for other engineering reviews, also review this contract. Mr. Chambers added that the Draper Aden review would be from an engineering/operations perspective; Mrs. Lewis has already reviewed the proposed contract and provided her comments to Mr. Walker and Mr. Chambers.

Requesting an explanation of Section 3.04, Mr. Walker noted that the section gives the Authority the flexibility, as operations grow, to use R. P. Finch, Inc., as the Operator in Charge, for management of a separate full-time operator, that could be an employee of the Water Authority, or the full-time operator could be contracted through the contractor. The current base service covers the licensed Operator (R. P. Finch), plus a part time Op-Tech to be “on the ground” while Mr. Finch provides management and completes requirements of the State.

Regarding Section 3.06, Mrs. Riggs noted that a limit should be established for the credit card being issued to the Contractor.

Regarding Section 3.07, Mrs. Riggs noted that the definition of Consumer Price Index (CPI) needed to be refined, as there were a lot of things included in the generic CPI that are not relevant to this contract and signing up for the generic CPI is not a good idea. The items specific to what the Contractor will do should be considered and the CPI established on those items. Mrs. Riggs noted that Barry Thomas, still present from the earlier public comment, may be of assistance, since in his professional life he was an economist. Mr. Walker believes that the Contractor gave his base price, knowing that the Authority will have cash flow issues in the beginning, but with the knowledge that in year 2 of the contract, with the CPI adjustment, it would be more commensurate with his

true rate. Mr. Walker noted that if the CPI increases 15%, or something like that, then there would be an issue. Mrs. Lewis noted that as written, the contract does not give that much flexibility. For year two, the increase is tied to the CPI or to some other mutually agreeable index. Mr. Walker suggested benchmarking to whatever federal salary increases are tied to. Mr. Chambers stated that tasks would be tied to management role duties, rather than purchasing materials and he did not know what other type of index to use. Mr. Thomas was asked to comment. Mr. Thomas stated that the Authority may want to look at the components of the CPI and sub-categories of the CPI, perhaps going with a Core CPI, which is tied to things like milk, bread, and lodging components rather than a full-blown CPI, which may include vehicles. He added that Mrs. Riggs' comment that the CPI bears looking at is worth noting, and perhaps looking further into other categories, through a federal publication, would be good.

Mr. Walker stated that he was fine with putting it at Core CPI, since that seemed more tied to the cost of living. Mr. Revere noted that he agreed that there are many categories of the CPI. He personally would prefer to use the Producer Price Index, which tends to be less volatile.

Referring back to the credit card, Mr. Chambers noted that in the original draft, the Contractor would purchase chemicals and materials for reimbursement plus a fee. Authorizing a purchase card seemed to be a better way to handle outside purchases.

Mr. Revere made a motion to accept the contract, setting a credit card limit of \$2,000 and revising Section 3.07 to include that cost-of-living raises would be based on the consumer price index, producer price index or other mutually agreeable indexes. Mrs. Lewis noted that she did not draft this contract; the contract had been heavily edited by Mr. Walker. This motion was seconded by Mrs. Riggs and carried by a vote of three in favor (Revere, Riggs, Chambers) to one abstain (Reed).

Dominion Energy – Encroachment in Easements

Mr. Walker stated that Dominion Energy had requested a blanket approval to encroach in water authority easements for their underground utility. Mrs. Lewis has two minor changes to the agreement proposed, which she has submitted back to Dominion, but has had no response. She noted that there were concessions made to some property owners when water easements were obtained, as they were adamant that they were only granting the Water Authority permission to use the easement. One draft revision adds a requirement that Dominion still must obtain the property owner's permission to encroach in the easement. Once that permission is obtained, they can install within the water easement. In addition, page numbers and clarification of the Water Authority's name were requested.

There was a consensus that this matter be tabled to the August 4th meeting if a response was received.

Urbanna Harbor Request for Connection

Mr. Walker reported that quotes were obtained from three engineering firms with the lowest from Bay Design Group. There was no specific dollar amount or contract to present to the Authority, as a contract has not been negotiated. Signing meetings are being held for information purposes and to obtain subscriber agreements and connection deposits. Checks will be held and not deposited, and agreements will not be recorded, until it is confirmed that the project will be accepted. The Chairman has reached out to the County for the possible use of American Rescue Plan Act (ARPA) monies received from the federal government, as they are being targeted to infrastructure like water, sewer and broadband. Mr. Walker will continue to work on a scope of services agreement with Bay Design Group for action at either the August or September meeting.

Mr. Revere asked for clarity as to who was paying for the engineering. Mrs. Riggs noted that cost sharing had been discussed prior and that she felt it was important for the Urbanna Harbor Association to at least pay a portion. In review of the minutes from the last meeting, there was discussion on who would pay for the study, but no final action. At that meeting, there was no objection to Mr. Walker obtaining costs for the study and project and with Mr. Chambers collecting subscriber agreements. Mr. Chambers added that the cost share potential had been discussed at earlier meetings with the homeowner association leadership. At that time, they did not feel that they could contribute to the cost. Mr. Chambers added that if this project happens at all, it will probably be with all grant funds. Mr. Walker added that this project/situation is a little more unique than others that could follow exactly the policy adopted in June for new development connections. By having contractors already mobilized in the area, the cost will probably not be any less than proceeding with the project now, along with the potential of having grant funding available to cover the entire cost. Mr. Walker noted that there is a second community of approximately 19 homes in the Topping area that has inquired about connecting to the system.

This item was tabled to either the August or September meeting.

Proposed By-Laws Revisions

A draft revision to the By-Laws, Article VII, Section 5, Order of Business, was reviewed, to consider revising #3, Approval of Minutes, to read as follows: "Consent Agenda (to include approval of the following: Minutes of the previous meeting(s), Expenses, Budget Amendments, and Standard Easements)." It was noted that any member can request that an item be removed from the consent agenda for discussion and a separate vote. Action on the amendment will be scheduled for the September 15, 2021 meeting.

Request for Reduced Connection Fee

Mrs. Muncy reported that she had been contacted by the property owner at 1 Conifer Run, Deltaville, who was requesting a reduced connection fee because of not being notified of the December 31, 2021 deadline for the fee increase to \$7500.

According to Mrs. Muncy, the GIS map used to generate notices showed the end of the waterline at Tax Map 41-3A, which did not have any property owner information with it. It was later discovered that this lot had been combined with Tax Map 41-2 as part of a lot line vacation in 2014.

Mr. Walker recommended denial of the request, based on the fact that the waterlines were initially designed to go where the want was and this property owner did not sign up then, so the line stopped at Lot 3A. There have certainly been multiple town hall meetings and discussions since 2014 about the water system going in. Mrs. Muncy noted that notices at that time would have been mailed to the address in the tax records, an Alabama address for an LLC, which is the same as the current owner and address. The lot line vacation record from 2014 had a Deltaville post office box address.

The motion to deny the request was made by Mr. Revere, seconded by Mrs. Riggs and carried by a roll call vote of 4-0 with one absent.

PUBLIC COMMENT

The public comment section was opened. No one presented a request to speak, and the public comment period was closed.

ADJOURN

There being no further business, the motion to adjourn until a meeting scheduled for August 4, 2021, at 6:00 p.m. was made by motion of Mr. Revere, seconded by Mr. Reed, and carried unanimously.

Greg Chambers, Chair