

At the Meeting of the Greensville County Water and Sewer Authority, held on Wednesday, August 19, 2020, with Budget Session beginning at 3:00 P.M., via Live Stream due to the COVID-19 Pandemic, at the Golden Leaf Commons, 1300 Greensville County Circle, Emporia, Virginia

Present: William B. Cain, Chairman at 3:06 P.M.
James R. Brown, Vice-Chairman
Belinda D. Astrop
Tony M. Conwell

Vice-Chairman Brown called the meeting to order.

In Re: Approval of Agenda

Mrs. Brenda Parson, Director, stated that Staff recommended approval of the Agenda with no added items.

Mrs. Astrop moved, seconded by Mr. Conwell, to approve the Agenda, as submitted. A roll call vote was taken as follows: Mrs. Astrop, aye; Mr. Conwell, aye and Vice-Chairman Brown, aye.

In Re: Budget Calendar

Mr. Glen Gibson, Assistant Director, addressed the Authority stating hopefully by the second meeting in September, the budget would be approved to avoid any special meetings. He stated that he was informed that the budget date of August 24, 2020 was not a good date for the Authority to meet due to the Authority members had training.

After some discussion, there was a consensus among the members to meet Tuesday, August 25, 2020 at 3:00 p.m.

In Re: Proposed Operating Budget

Mr. Gibson stated that Staff had prepared a balanced water budget totaling \$3,072,642 in both expenditures and revenues. He stated that there was also a balanced sewer budget totaling \$3,096,789 in expenditures and revenues. He then stated that Staff would be requesting approval

of a combined budget for water and sewer in the amount of, \$6,169,431 in revenues and expenditures.

In Re: Notes and Details

Mr. Gibson stated that later in the presentation, he would be providing the Authority with information regarding the rate study. He then reviewed the notes and details listed for the Authority's review including personnel costs for all departments, the recommended cost of living adjustments at 2.5%, the recommended merit increase at 2.5%, the Local Choice Health Benefits program with two plans being offered to the employees and the Virginia Retirement System benefits.

In Re: Water Rate Analysis/Comparison

Mr. Gibson stated that Staff would review a water rate analysis that was completed for the surrounding counties. He stated that Staff used data from the Draper Aden & Associates annual report analysis that was ranked from the highest cost being ranked #1 to the lowest cost being ranked #7. He then reviewed the water rates comparison sheet for residential charges effective July 1, 2020 among the City of Emporia, State of Virginia, Southampton County, Sussex County, City of Franklin, Town of Lawrenceville and Greensville County Water and Sewer Authority. Mr. Gibson stated that GCWSA's water rates were very compatible and much lower than surrounding communities and the state average. He also reviewed the sewer rates comparison sheet for residential charges among the City of Emporia, State of Virginia, Southampton County, Sussex County, City of Franklin, Town of Lawrenceville and Greensville County Water and Sewer Authority. Again, Mr. Gibson stated that the sewer rates were very compatible.

Mr. Gibson stated that in the 58 West water service area, GCWSA could get water supply from the City of Emporia or either Greensville County. He stated that based on the original contract from 2015, Emporia had a tiered rate system in which he explained the cost per gallon. He stated that the Authority was losing revenue to purchase and resale water in the service area.

Supervisor Cain asked how many people were being serviced from this area from the County and City of Emporia. Mr. Gibson stated that it was not isolated to where they could calculate Greensville County water customers versus the City water customers. Both water sources were blended to supply this service area.

Supervisor Cain stated that his understanding was that all the residents on West 58 received water from the City of Emporia and all the other Greensville County residents water came from the Nottoway River. Mr. Gibson stated that it was correct to say that the rest of GCWSA's customers were supplied by the Jarratt Water Plant, but 58 West received water from both sources. Mr. Gibson stated that West 58 entailed a portion of Brunswick and Rogers Road.

Mr. Gibson stated that he did not know the percentage of GCWSA's customers in the 58 West System at this moment but would get that data for Mr. Cain.

Supervisor Conwell asked if Mr. Gibson knew how many residents were served in that area. Mr. Gibson stated he would guess it was less than 20-25 residents. He stated it was not a large residential use in the area but there was a large commercial client in that area.

In Re: Sewer Rate Analysis/Comparison

Mr. Gibson reviewed the sewer rate analysis. He stated that Emporia had the same tiered rate system and the contracted rates were negotiated in 2015. He stated that Emporia's rates had gone up 8.15% since the agreement was executed. He stated that in total, Greensville County's only went up 4% or \$.21 per thousand gallons since the agreement. He stated that once again, revenue was being lost on the purchase and resale of sewer service. Mr. Gibson asked if there were any questions.

Supervisor Cain stated that his question remained the same as the water rate analysis regarding the percentage of GCWSA customers in the 58 West service area.

In Re: 58 West Water Purchase Cost Increase

Mr. Gibson stated that the increase was due to Emporia's 7.5% water rate increase. He then reviewed the gallons of water purchased from the City of Emporia since October of 2019 until July 2020. He also gave the loss in revenue extending from October 2019 until July 2020. Mr. Gibson stated that in 2020, Staff projected that the Authority would lose \$22,704 annually in revenues for the 58 West service area. He stated that if the Authority did not increase its water rates by 6%, it would lose \$38,215 annually on the purchase and resale of the water in 2021. He further stated that although the Authority was losing revenue, the cost was offset, somewhat, by the water supplied by the Jarratt Water Treatment Plant.

In Re: 58 West Sewage Services Cost Increase

Mr. Gibson stated that the increase was due to Emporia's 5% sewer rate increase. He then reviewed the sewer treated by the City of Emporia from October 2019 until July 2020. He stated that based on the City's rate before this rate increase and the actual usage in 2020, the Authority was projected to lose \$4,106 in revenues based on the Authority's current rates versus what Emporia charged the Authority for treatment. He further stated that due to the City's 5% sewer rate increase, the Authority's loss, if the sewer rates were not increased, were projected to be \$11,929.

In Re: GCWSA Capital Improvements Program

Mr. Gibson stated that the Authority used a five-year Capital Improvements Plan because items wore out over time. He stated that Administrative Staff worked with the Department Heads to carefully review what would be needed and put the most important projects on the Capital Improvements Plan. He also stated that for FY2021, there was a total of \$457,932 in capital expenditures. He further stated that the Authority was able to pay for all projects out of the regular operating revenues other than the meter replacements. Mr. Gibson then stated that the meter replacements were a five-year project and the first year was included in this year's FY2020 budget. He stated that Staff decided to defer the project in FY2020, due to the COVID-19 pandemic. He also stated that Staff was proposing a transfer from fund balance to pay for the \$179,979 expenditure for FY2021 to start the first year of the project.

He stated that the Authority also needed to rehabilitate the pump station at St. Johns because it was an original pump station that was put in and was now wearing out. He stated that \$77,000 was proposed in the budget to take care of that item.

Mr. Gibson stated that for the purchase of the new backhoe, there was \$112,000 proposed in the budget. He stated that the Authority's original backhoe was wearing down. He also stated that the Authority actually had a newer backhoe and with the larger water and sewer system that had grown over the years, the Authority needed another backhoe to provide a backup and also allow for two crews to go in two different directions.

He also stated that the purchase of a mixer for the Jarratt Water Tank was needed in the amount of \$17,000. He stated that the old style water tanks that were put in years ago did not have mixing systems in them. He then stated that with the new regulations regarding water quality, it would be a good practice to mix the water in the tanks that were being maintained.

Mr. Gibson stated that Staff was also recommending that the Authority refurbish the last filter at the Jarratt Water Treatment Plant. He stated three years ago, Staff refurbished the first filter at the water plant and the water plant was 16 years old now. He also stated that Staff had a filter plug up and caused an emergency repair. He further stated that GCWSA had to bring a contractor in and get it repaired. Mr. Gibson stated that Staff had two filters budgeted in this current year and already had requested quotes to have the contractor ready to go to have those filters done this year, leaving one to be replaced.

He then stated that the Authority also needed to replace the non-potable pump in the Three Creek Wastewater Treatment Plant budgeted at \$20,588.

Supervisor Brown asked if the Authority had replaced the sludge truck. Mr. Gibson stated that it was in the second year of the proposed budget of the Capital Improvements Plan. He also stated that Staff was comparing the cost of contract hauling versus buying a new sludge truck.

Re: Adjournment

There being no further business to discuss, Mr. Conwell moved, seconded by Mr. Mr. Brown, to adjourn. A roll call vote was taken as follows: Mrs. Astrop, aye; Mr. Brown, aye; Mr. Conwell, aye and Chairman Cain, aye.

William B. Cain, Chairman
Greenville County Water and Sewer Authority