

MINUTES
Board of Supervisors
County of Prince George, Virginia

Adjourned Work Session
June 23, 2020
4:00 p.m.
County Administration Bldg. Boardroom, Third Floor
6602 Courts Drive, Prince George, Virginia

MEETING CONVENED. A budget work session of the Board of Supervisors of the County of Prince George, Virginia, was called to order at 4:00 p.m. on Tuesday, June 23, 2020 in the Boardroom, County Administration Building, Third Floor, 6602 Courts Drive, Prince George, Virginia by Chairman Donald R. Hunter for a work session to discuss the budget.

ATTENDANCE. The following members responded to Roll Call:

Donald R. Hunter, Chairman	Present
Alan R. Carmichael, Vice-Chairman	Present
Floyd M. Brown, Jr.	Present
Marlene J. Waymack	Present
T. J. Webb	Present

County Staff present was: Percy C. Ashcraft, County Administrator; Dan Whitten, County Attorney; Betsy Drewry, Finance Director and Deputy County Administrator; Julie C. Walton, Deputy County Administrator; and Teresa Knott, Clerk.

Invocation. Mr. Brown gave the Board's invocation.

Pledge of Allegiance to U.S. Flag. Mrs. Waymack led the Pledge of Allegiance to the U.S. Flag.

APPROVAL OF AGENDA. Mr. Carmichael made a motion, seconded by Mrs. Waymack, to adopt the agenda as presented. Roll was called on the motion.

On roll call the vote was:

In favor: (5) Brown, Waymack, Carmichael, Hunter, Webb

Opposed: (0)

Absent: (0)

WORK SESSION

9. Revisions to the Volunteer Tax Relief Ordinance. Chairman Hunter brought this matter before the Board first. Mr. Carmichael stated that he thought the Interim Fire and EMS Director and the Fire Chiefs should have a chance to go over the ordinance amendment before the Board discusses it. Mr. Webb respectfully requested that the Board get a chance to address this matter before anyone else gives their input. Mr. Brown made a motion, seconded by Mr. Webb, to postpone this matter to July 14. The Fire Chiefs meet again on July 18. Mr. Carmichael stated that the Fire and EMS Director should get a chance to look at it in the meantime. Roll was called on the motion.

On roll call the vote was:

In favor: (5) Brown, Waymack, Carmichael, Hunter, Webb

Opposed: (0)

Absent: (0)

1. Presentation of Utility Rate Study – Carl Brown.

Mr. Frank Haltom, County Engineer, stated that GettingGreatRates.com was procured to perform a utility rate analysis. The analysis was completed on March 25. Mr. Carl Brown presented to the Board his findings and recommendations for potential future adjustments to the utility rates and connection fees. In his report, Mr. Brown recommended water and sewer rate adjustments to bring the County close to "cost-to-serve" rates. Water rates need to go up significantly now, and in future years. Sewer rate revenues are close to adequate now, but the structure needs to be adjusted. The recommended rates will fully fund the utilities, with one caveat; some significant

improvement needs starting about five years out will dramatically increase debt costs. Without big increases in five to seven years, or a big intervention like larger grants, the Authority will not be able to tackle those projects as planned. Once the initial water and sewer rate adjustments are in place, the County should monitor cash flow and reserve accumulation carefully. Over the next several years, if revenues and costs, especially capital improvement costs, and reserves come in as projected, Mr. Brown says do the inflationary style increases as recommended in the report. This combination of adjustments will result in a moderate overall increase in water rate revenues and a substantial increase in the average residential customer's water bill. Future inflationary increases will raise all bills by 5.0 percent per year. Supervisor Brown stated that he receives a lot of calls from elderly people on a fixed income that cannot afford the unmetered water and sewer rates now. Mr. Carl Brown stated that it is up to the Board as to how they set the rates.

2. Status of VPDES Permit Application for Sewer Discharge to Blackwater Swamp – Herb White.

Mr. Haltom stated that WW Associates were procured to assist the County to obtain a Virginia Pollutant Discharge Elimination System (VPDES) permit for a wastewater treatment facility. The potential discharge location is along the Blackwater Swamp near Prince George Drive on a parcel known as the Yancey Property. The permit application was submitted in October 2019. A draft permit was issued to the County in April. On June 8th, the Department of Environmental Quality (DEQ) issued a Public Notice of the County's intent to receive a permit to solicit comments from the general public. The comment period ends on July 9th. After the public comment period, DEQ may decide to hold a public hearing or issue the final permit. Herb White, President of WW Associates, presented the requirements of the draft permit and addressed questions and concerns regarding the potential impacts to the environment. Mr. White clarified for Mr. Carmichael that this permit would be good for five years. Mr. Brown asked what the impacts would be for discharging if there are parts of the swamp that dry up in the summer. Mr. White stated that the sewer discharge would be filtered and if the swamp is going dry, this would be beneficial to the swamp. Mr. Brown then asked what effect flooding would have in that area. Mr. White stated that the tanks are designed to be raised above a "100-year storm."

3. Options to Address Future Sewer Capacity.

Mr. Haltom stated that the wastewater collection system that serves the Southpoint Business Park and the Route 460 corridor is approaching full capacity. In 2018, the Southpoint Utility Study was completed to evaluate the options to provide an additional 2 MGD of wastewater capacity at the Park. Factors including capital cost, life cycle cost, operational considerations, regulatory limitations, constructability, future needs of the County, and overall benefit to the Southpoint Business Park were investigated for each alternative. The study resulted in two viable options: (1) construct a County-owned wastewater treatment plant (WWTP); or (2) construct a conveyance system to pump wastewater to the City of Hopewell. Dewberry recommended the construction of the WWTP primarily due to the significantly lower life cycle cost. The operational cost to convey to Hopewell is significantly greater, primarily due to the wastewater treatment fees the County would be required to pay. Should the Board desire to address the capacity needs for future development, new wastewater infrastructure will be required. Planning and engineering should begin in the immediate future to ensure capacity is available for the growth of the business park. A preliminary engineering report to build a new pipeline to Hopewell or build a wastewater treatment plant could cost up to \$150,000. Mr. Webb asked if there are any tax credits for public utilities. Mr. White stated that there are some grants. Mr. Haltom stated that they will be heavily pursuing grants. Mr. Brown stated that the Board has a responsibility to put together a plan for the future. He personally thinks the wastewater treatment plant is the right way to go. The County should be able to control its own destiny and would like to see a proactive approach; not to just hold onto a permit for five years. Mr. Webb agreed and stated that they need to plan 10 to 15 years ahead. Mr. Stoke confirmed for Mr. Webb that the County has lost three potential new businesses due to sewer capacity. Mr. Haltom asked the Board what their thoughts would be on authorizing Staff to begin a preliminary engineering report for a future treatment plant or new conveyance system to Hopewell. Mr. Carmichael and Chairman Hunter stated that they would like to wait to when the public can engage and see the fate of the future solar farms. Mr. Brown and Mr. Webb stated that they are in favor of a preliminary engineering report now. Mr. Brown stated that he does not see the harm in doing two things in parallel. Why not get the report done so that they will have the information to share with the public. Mr. Haltom stated that he would be happy to set up a town hall meeting and/or bring this matter up for a future discussion with the Board. Mrs. Waymack asked how

this project would be funded. Mr. Haltom stated through debt service and possible grants. Mr. Brown stated that he doesn't see how this would be any different from how they look at it when they borrow money for any other project.

4. Utilizing Remaining Capacity Along Route 460 Corridor/Southpoint Business Park.

Mr. Haltom stated that on May 26, at the Board's regular meeting, a presentation was provided to update the Board of the current capacity of the wastewater collection system for the Southpoint Business Park and the Route 460 corridor. Dewberry recently updated the wastewater model to learn the remaining capacity of the sewer conveyance system is 120,000 - 140,0000 gallon per day. New private developments are currently planned along the Route 460 corridor and within the business park. The County has also planned for future development within the Southpoint Business Park. In addition, Oak Shades Mobile Home Park has requested to connect. Board action is requested to determine if sewer capacity should be reserved for planned future economic development, or reserved on a first-come, first-served basis. Continuing as a first-come, first-served basis utility will allow developments along Route 460 to continue and new developments within the business park will be considered alongside those applications for service. Restricting the capacity to the development of the business park will prevent further development along route 460 until such a time additional capacity is made available. Mr. Brown and Mr. Webb thought the Board gave a thumbs up for Oak Shades at the last meeting. Mr. Haltom stated that his takeaway was that they would talk about it further at this work session. Mr. Webb stated that these are citizens that are in need now and he doesn't see how we could deny them. Mr. Brown agreed. The Board agreed by consensus to move forward with Oak Shades Mobile Home Park since it will not diminish the capacity. Mr. Haltom stated that it would not require maintenance on behalf of the County.

5. Request for Design of Temple Avenue Tank and Booster Station and Extension of Central Water System to Route 10.

Mr. Haltom stated that the Preliminary Engineering Report (PER) for the Temple Avenue tank and booster station was completed in April. The recommended project is a 1 million gallon water tank and 4 MGD water booster station to be located in the vicinity of the Temple Avenue and River Road intersection. This project will maximize the use of the ARWA transmission main to deliver 2 MGD to the Southpoint Business Park, a primary goal of the 2016 Master Plan. It will also decommission the existing booster station located near the Jefferson Avenue and Middle Road intersection. The total project is anticipated to cost \$4,250,000. The PER for the extension of the central water system to the Route 10 corridor was also completed in April. The recommended project is a 4.5 mile, 12" water line extension. It will begin at the current end of service on Sandy Ridge Road running east to Ruffin Road, then north to Route 10 and then connect to the existing water systems at Jordan on the James (JoJ) and Beechwood Manor (BM). This project will serve the existing customers of JoJ, BM and be available for future extension to Rivers Edge. This project will also be the backbone for future development along the Route 10 corridor. The well systems at JOJ and BM would be decommissioned after connecting to the central system, resulting in a future cost avoidance to replace these aged systems. The total project is anticipated to cost \$3,280,000. Staff is requesting permission to pursue the design of the water system expansion projects. The appropriated budget within the Utility CIP fund will cover the design cost of these projects. The Board gave consensus to move forward.

6. Update of Phase One Renovation of the Central Wellness Center.

Mr. Mike Purvis, General Services Director, introduced Mr. Gil Entzminger of Enteros Design. Mr. Entzminger went over the feasibility study and adaptive reuse assessment of the Phase One renovation scope of the Central Wellness Center. At the last report presented on July 17, 2019, the Phase One renovation scope reported was handicapped accessibility, mechanical, plumbing, electrical, and fire protection for a total of \$1,198,507. In the Fall of 2019, locker rooms, a new generator, a rear parking lot ramp, and a new domestic water line were added for a total of \$1,106,935 creating a new Phase One total of \$2,305,442 leaving a total deficit of (\$643,989) since the remaining project funds for construction are \$1,636,177. Mr. Entzminger presented an alternative Phase One with potential deduct alternates which would result in a potential surplus of \$462,946. Mr. Webb stated that he is uncomfortable doing anything above just bringing that building up to Code on the first floor at this time. Chairman Hunter agreed with the state of the economy now. He added that he had hoped that they could bring the building up to Code for a possible emergency shelter. Mr. Webb stated that he supports only what was originally agreed to. The Board all agreed that they could just do what they could with the total that is left.

7. Rural Solar Development Coalition Funding Request.

Ms. Julie Walton, Deputy County Administrator and Director of Community Development, stated that after reviewing the information provided by Ms. Steward and Mr. Crockett at the last Board of Supervisors meeting, Staff would like to request support of the Rural Solar Development Coalition and its initiatives. The benefits of participating are numerous and include support through legislation, information and tools for staff, development of draft agreements and ordinances, and specialized knowledge of technical components and equipment. The Community Development and Code Compliance department budgets annually for technical and engineering support through the Professional Services line items in both the Planning and Inspections divisions. Services typically procured include specialized or technical review of items that are outside the scope of normal operations for a staff of our size- such as the Battery Storage areas of a Solar Energy Facility or a technical Ordinance amendment. The services and support offered by the RSDC falls within the parameters of what Community Development's budgeted monies are typically used for. Staff is recommending to the Board that the membership fee for the RSDC be split between the Planning division and the Inspections division for the first year. Current FY20 Professional Services line item balances for the divisions are \$4,900 and \$4,100. Chairman Hunter stated that he was not in favor at first but now that Ms. Walton has explained how crucial it is, he will support it. Mr. Brown thinks it will give the County a good foundation for at least a year to help them develop a good policy. Mrs. Waymack and Mr. Webb stated that they should also lobby for the County at the General Assembly. The Board agreed to proceed at this time on a year-to-year basis. Ms. Walton will bring it before the Board on July 14 for a formal vote.

8. Definition of Budget Carve-Outs.

Ms. Betsy Drewry, Deputy County Administrator and Finance Director, stated that Prince George County currently calculates the local operating transfer to the school system using a revenue sharing calculation, transferring a portion of 5 local fund revenue streams; Real Estate Tax Revenue; Personal Property Tax Revenue + PPTRA Local Sales Tax; Consumer Utility Taxes; and Motor Vehicle License Fees. The Prince George County Board of Supervisors approved an amended School Revenue Sharing Memorandum of Understanding (MOU) on August 13, 2019. This version has not been adopted by both boards (Board of Supervisors and School Board). The modified calculation approved by Board of Supervisors on August 13, 2019 contained some "carve out" provisions (revenue increase amounts that can be excluded from the operating transfer to schools). Staff requests specific direction from the Board on items to carve out from the school transfer for FY2022 and future budget cycles. The Board gave consensus on school CIP and public safety items to carve out for the FY2021 budget during the April 22 budget work session and this document was used as a model for the discussion this evening. Ms. Drewry presented the Board a listing of the potential "carve out" expenditures/revenue losses for which Staff is seeking guidance. The Board agreed by consensus to carve out School Capital Projects and purchases funded by debt of General Fund transfer to CIP, including new school construction and capital improvement. The Board also agreed by consensus to carve out purchase of school buses of equipment. The Board agreed by consensus not to carve out public safety capital projects and purchases funded by debt of General Fund transfer to CIP, additional police personnel, additional Fire/EMS personnel, and public safety grant losses.

ADJOURNMENT. Mr. Brown made a motion, seconded by Mr. Webb, to adjourn to June 30 at 6:30 p.m. for the purpose of a public town hall meeting regarding the Prince George County Solar Energy Facility Siting Policy. The meeting adjourned at 6:42 p.m.

[Draft Minutes prepared June 25, 2020 for consideration on July 14, 2020; adopted by unanimous vote.]

Donald R. Hunter, Chairman
Chairman, Board of Supervisors

Percy C. Ashcraft
County Administrator