

**VIRGINIA:**

At a regular meeting of the King George County Service Authority Board of Directors, held on Tuesday, the 16<sup>th</sup> day of February, 2021 at 5:30 p.m. in the Revercomb Building Board Room at 10459 Courthouse Drive, King George, Virginia:

**PRESENT:**

- Annie Cupka, Chairman
- James Morris, Vice-Chairman
- Cathy Binder, Member
- Carrie Cleveland, Member
- Jonathon Weakley, General Manager
- Larry Hughes, Interim County Administrator
- Matt Britton, County Attorney

**REMOTE:** Allen R. Parker, Jr., Member

**0:00:09.9 Madam Chair:** I hereby call to order this meeting of the King George County Service Authority Board of Directors. I hereby invoke the rules and procedures previously adopted by the Board of Supervisors and the King George Service Authority Board of Directors, allowing for electronic participation by some members with a quorum physically present. This action is taken as a result of the COVID-19 pandemic and the Governor's orders regarding limiting of gatherings and staying in place during a disaster. Electronic participation is encouraged and pursuant to the Governor's emergency orders, social distancing shall be maintained for all physically present. If you choose to be physically present, you will be screened by authorized staff for signs and symptoms of illness. Based on the results of that screening, certain physical attendees may be denied entry. The following members are physically present:

**0:01:08.6 Cathy Binder:** Cathy Binder.

**0:01:11.7 James Morris:** James Morris.

**0:01:12.7 Carrie Cleveland:** Carrie Cleveland.

**0:01:14.9 Madam Chair:** Ann Cupka. The following members are participating through electronic and remote means after notifying the Chair that temporary disabilities and/or other medical conditions exist that prevent the member's physical attendance.

**0:01:29.8 Allen Parker:** Allen Parker.

**0:01:31.9 Madam Chair:** Thank you, Mr. Parker. I direct the clerk to include this statement and any statement of remotely participating board members to be memorialized in the minutes. Please stand for the invocation. Heavenly Father, watch over us this evening, watch over our community. Guide us to make decisions in the best interest of our customers and our community as a whole, and please heal the sick and bring comfort to their families. In your name we pray. Amen.

[Pledge of Allegiance]

Mr. Weakley, do we have any amendments to the agenda, sir?

**0:02:38.2 Jonathon Weakley:** No amendments, Madam Chair.

**0:02:41.2 Madam Chair:** Do I have a motion to approve the agenda as presented?

**0:02:48.3 C. Binder:** I'll make a motion to approve the agenda.

**0:02:52.5 J. Morris:** I second.

**0:02:54.3 Madam Chair:** Any further discussion? All those in favor say, "Aye."

**0:02:57.8 C. Binder:** Aye.

**0:02:58 C. Cleveland:** Aye.

**0:02:58.1 J. Morris:** Aye.

**0:03:00.3 A. Parker:** Aye.

**0:03:01.1 Madam Chair:** Any opposed? The Chair votes aye, motion carries. Public comment. Comments will be limited to three minutes per person in order to afford everyone an opportunity to speak. If comments relate to a specific public hearing item, we ask that you offer those comments at the time of the public hearing. Is there anyone here in the audience who wishes to come forward for public comment? Seeing none, Mr. Dines, do we have anyone online who wishes to provide public comment?

**0:03:34.5 Chris Dines:** No.

**0:03:35.2 Madam Chair:** Thank you, Mr. Dines. We'll move on to reports of members of the board, and I'd like Mr. Parker to go first, please, since he's online. Go ahead, Mr. Parker.

**0:03:48.3 A. Parker:** No report, ma'am.

**0:03:50.5 Madam Chair:** Thank you, sir. Ms. Binder?

**0:03:54.0 C. Binder:** No report.

**0:03:54.1 Madam Chair:** Mr. Morris?

**0:03:55.1 J. Morris:** No report.

**0:03:56.1 Madam Chair:** Thank you. Ms. Cleveland?

**0:03:58.0 C. Cleveland:** No report.

**0:03:58.9 Madam Chair:** Thank you, and I have no report as well. Move on to the consent agenda.

**0:04:05.2 C. Binder:** Have a motion to accept the consent agenda as presented.

**0:04:10.7 J. Morris:** I second.

**0:04:12.6 Madam Chair:** Any further discussion? All those in favor say, "Aye."

**0:04:14.8 C. Binder:** Aye.

**0:04:15 C. Cleveland:** Aye.

**0:04:17 J. Morris:** Aye.

**0:04:18 A. Parker:** Aye.

**0:04:19.2 Madam Chair:** Any opposed? The Chair votes aye, motion carries. Report from the County Attorney, Mr. Britton.

**0:04:24.6 Mr. Britton:** No report, Madam Chair.

**0:04:27.8 Madam Chair:** Thank you, sir. Presentations and reports. Moving right along, financial update presentation. And Mr. Weakley, did you wanna offer any introduction? I'm sorry, perhaps I should have done that first.

**0:04:40.3 J. Weakley:** No, Madam Chair. It's your preference, but I will take the opportunity. So with us tonight, we have Kyle Laux. He's with Davenport & Associates. Many of you have met Kyle before, you know the face, you know the great job Davenport does. Normally, Davenport will come right after we have received our CAFR for the year. The purpose for tonight, Kyle has identified two loans, he's gonna discuss of maybe why it makes sense for the Service Authority. So what you're gonna be given tonight and not to steal too much of his talking points and information is look at the information, consider what he has to say, would you like for staff, that is, I myself and Kyle to proceed to get the information from the bank, so it's not authorizing any refinancing tonight, but he's gonna cover the base on two loans. So with that said, Kyle, thank you for being here in tonight, sir, please proceed.

**0:05:33.9 Kyle Laux:** Sure, Mr. Weakley. And Madam Chair, members of the Service Authority Board and everyone online, nice to see you all as always. And Happy New Year, I don't think we've been here yet this New Year so, nice to see everyone. We've got something on the screen to the extent, frankly, members of the board, if you'd like a hard copy, we have a hard copy. But I'm

happy to just walk through what's up on the screen for the moment. And so just in terms of a little bit of an overview, and then we'll get right to what Mr. Weakley had mentioned in terms of really an ability, we think, to refinance for debt service savings. So before we get there, we know that since we're basically about halfway through the fiscal year, we're really in the process of thinking about planning for the next fiscal year, meaning your budget process. We always like to come at this time and maybe just, as Mr. Weakley mentioned, your CAFR for last fiscal year is done midway through this year, and I think very briefly, as we look at that multi-year plan that was put in place, and I realize we've got some new board members. Ms. Binder and others were around, when we put that in place. Ms. Cupka, I believe, as well, to really keep the Service Authority on a path to be a self-supporting utility enterprise system. And so that was put in place in 2018, 2019. As we looked at the 2020 audit that was performed by Robinson, Farmer, Cox, it strikes us that that plan is on track, and so kudos to you as an authority with Mr. Weakley and certain, all your staff for keeping that plan on track through what has been certainly challenging times over the last 12 or so months.

But on the positive side of things, what we will be able to report to the Virginia Resources Authority, who is basically your soul lender for all intents and purposes at state entity, is that for fiscal year 2020, you met, meaning you as a service authority, met the various covenants that are in place on that outstanding debt, and thus are in compliance and really on track with the plan thus far. And so, that's a good thing. You've got a good momentum there, and I think we see that across the county, and again, always important to keep in mind that the debt of the authority, meaning our utility system is really backed by the county. So while we are continuing to work towards and maintain the authority as a self-supporting entity, we always have in the back of our heads, bearing in mind that the Board of Supervisors and the county's excellent credit ratings help to get us over that hump for the time being. So, again, all good situation, basically the plan is on track.

So third bullet point down there, given how low interest rates are, and we certainly saw this on the county side of the equation, we'll talk about in little while with the Board of Supervisors. What we think we've identified as an ability to refinance a couple existing loans for savings purposes, so this is very much like if you've got a mortgage and your existing mortgage is at a given interest rate, say it's 4%, and that seemed like a pretty good rate when you got it, but given where rates are, we think there's an ability to take that rate lower without extending any debt, keeping the same final maturity and just lowering the payment in the process. So we'll talk about some of the details of what that means, but that at the core is really to simplify it. That's what we're discussing tonight.

So then we go to the next page. On page number two, just show a little visual there of how low rates are. This is showing tax-exempt interest rates; left-hand side, since 2000; right-hand side, since about 2016. On the left-hand side included general downward trend over the last 20 or so years. Right-hand side, when you zoom in a little bit, we've seen some volatility, certainly about a year ago, a lot of volatility within the market, and so rates spiked back up, but since that time period, things have settled out and we've had a very nice run here of low interest rates. So what we're trying to do right now is just simply capture those refinance existing debt where we can... A portion, I should mention. A portion of the financing that the county did last fall actually benefited the Service Authority too. So some of the savings the county realized by virtue of that refinancing last fall, actually entered to, meaning, benefit of the authority, just by virtue of the way the debt is allocated. So, just trying to further take some bites of the apple and reduce the overall interest cost. So then we go to the next page. And so, a couple details here, mentioned two loans, they total about \$3 million. You can see some details at the bottom of the page. As an authority we right now have about 23.7, maybe round that off, call about \$24 million of outstanding debt. A lot of that was done in the 2018 time period. And so we watch that, we don't see that as a refinancing candidate quite yet, meaning the balance of our outstanding debt. But this 3 million does indeed look like a nice

savings opportunity. And so both these loans happen to be through the Virginia Revolving Fund Programs. And so there's one for sewer, there's one for water, they're both administered by the state, awarded based upon specific criteria. Both of these loans happen to be from 2014, and the interesting part about this is, these revolving funds typically lend out below market interest rates, so it's pretty rare to think about, you're getting a below market interest rate from the state, yet we're gonna go refinance it 'cause rates were lower. But that's indeed what has happened over the last five or six years.

So you see the bottom of the page, again, there's one for sewer, one for water; it's about a million dollars on the sewer side, about a million nine on the water side, they both have a final maturity in 2035, so about 14 years or thereabouts. And you see the existing interest rates there, and that's probably the most important piece here at 2.45% on the sewer and at 2.96% on the water. And so what we're gonna talk about is a way, I think a couple of different ways to evaluate how we bring those interest rates down, meaning that 2.45% and that 2.96%, all of which would be done with fixed interest rates whereby we continue to pay principal annually, just like you would on a mortgage, and importantly, both of these loans are pre-payable any time with no penalty, which further drives our ability to go refinance at the most advantageous opportunity here.

And so I think we should go to the next page. The strategy and how we go about this, the Virginia Resources Authority administers both of these revolving fund loan programs, and they will allow under certain circumstances, but not necessarily with a guarantee, us to basically apply directly to them to what they call... They won't use the term refinance, but reset the rate within the program. And so, as we look at the marketplace, as we look at where other financing options are, we'll talk about that, we think the most direct and likely the most cost-effective, meaning lowest interest rate is probably just apply directly to this program. It's a very simple process, put a letter in, they take it through their internal approvals and then they'll tell us very quickly if they can do that and what the ultimate interest rate would be.

Going through that process doesn't lock you in anything, it doesn't cost you anything, it really just allows us to go get that information, evaluate it, come back to you basically at probably your next board meeting and say, "Report back the results." So that's really our first option, it's very quick in an ability to go do that. If for some reason one or either of the programs, it's technically two different programs, one on water and one on sewer, if one or both of those entities can't do it for whatever financially constrained reason they may have, then we do have some other ways to evaluate going and doing this refinancing. We could think about participating in the VRA Pooled Financing Program, which again is another state entity, same entity that oversees these revolving fund loans, it's just a little bit different program that's more market-based interest rates than what we're proposing here, which is below market interest rates. We can also survey competitively banking institutions, we do that a lot, and I've done that a lot with both the service authority and the county. Both of those are very viable options based on our initial research. We think that the Revolving Fund loan is probably gonna produce the most savings for the authority. And so basically what we would propose... I think we can go to the next page, is if we're talking here this evening, the 16th, with your collective blessing, we would go through the steps with Mr. Weakley to reach out to the folks at the two Revolving Fund Programs, ascertain their ability to do one or both of those, understand what the interest rates are, and bring it back to you on March 2nd to be able to say, "Okay, here's how many dollars I think would be saved. Here's the interest rate, here's the terms and conditions." If for some reason we get a surprise, for some reason they can't do it then certainly we'll be teed up and poised to pivot very quickly to another option.

And so that Madam Chair and members of the board, that really is our presentation. I think it's maybe just a simple request to go. We'll do our homework, come back to you, let you know what we have from the state and then we can talk about next steps from there.

**0:15:56.2 Madam Chair:** Thank you, sir. Do I have questions from members of the board?

**0:16:00.9 C. Binder:** Miss Madam Chair, I do have a question. Kyle, how much is the exact debt at this day, like the full debt?

**0:16:08.1 K. Laux:** 23, I'm rounding off a little bit, it's about \$23.7.

**0:16:11.9 C. Binder:** And that's the whole debt for the Service Authority, right?

**0:16:14.9 K. Laux:** Correct.

**0:16:15.0 C. Binder:** Alright, thank you.

**0:16:15.3 KL:** Yes, ma'am. So this, if you wanna use round numbers, what we're talking about here is about 10% of that total. It's not exactly that, but a little bit over that we'd be refinancing. This last page is just for reference, what we've estimated thus far, the savings might look like, probably about \$10,000 to \$15,000 a year in savings. Again, just an estimate. We'll be able to bring all those back to you with more definitive numbers and let you know exactly what it is.

**0:16:48.3 Madam Chair:** Mr. Morris, do you have any questions?

**0:16:50.9 J. Morris:** No, ma'am. No questions.

**0:16:52.4 Madam Chair:** Thank you. Ms. Cleveland?

**0:16:54.0 C. Cleveland:** No questions.

**0:16:57.1 Madam Chair:** Mr. Parker online, do you have any questions, sir?

**0:17:00.1 A. Parker:** Not at this time.

**0:17:02.7 Madam Chair:** Thank you. So I guess we're seeking consensus, so let me start back again with you, Mr. Parker.

**0:17:11.3 A. Parker:** I say we approve them to it. (Inaudible)

**0:17:13.5 Madam Chair:** Thank you. Ms. Binder?

**0:17:17.3 C. Binder:** Anything that cuts the debt.

**0:17:21.1 Madam Chair:** Mr. Morris?

**0:17:21.2 J. Morris:** I concur. Look into it.

**0:17:23.7 Madam Chair:** Thank you. Ms. Cleveland?

**0:17:26.8 C. Cleveland:** Yes, absolutely.

**0:17:27.7 Madam Chair:** And I'm a yes as well. So, Mr. Weakley, you have your direction to move forward and bring back the possibilities to us in March.

**0:17:36.7 J. Weakley:** Thank you, Madam Chair. May I ask one question, Kyle? Kyle, what is the application deadline? I know sometimes they would like... VRA, for example, would like us to have it in, so I know we've got a timeline of March the 2nd to bring it back.

**0:17:50.5 K. Laux:** Yeah, so for this, we basically have a letter that we can work on to get it to them probably on Monday, frankly, and they could turn around pretty quickly. There's no set application deadline for a particular program, but they know we're thinking about it, and so they're generally teed up to go through their process.

**0:18:12.6 J. Weakley:** Okay, okay, thank you.

**0:18:15.0 Madam Chair:** Thank you very much.

**0:18:15.5 K. Laux:** Thank you, I appreciate it.

**0:18:18.4 Madam Chair:** Alright, Mr. Weakley, budget schedule.

**0:18:25.0 J. Weakley:** Thank you, Madam Chair. I didn't put it in a calendar format so I apologize if that's what members work off better. I'll just put it in a board report, just looking at what maybe a good day that fits, trying to keep these same calendar date. If all possible, they're bringing some normalcy, consistency to your busy schedules. So, what you have before you tonight, and I'm getting to the board report here, is I proposed that the budget meeting schedules be held on every Thursday in the month of March, so those are the dates of March 4th, March 11th, March 18th, and March 25th. And I'm not saying we can't go longer, but historically, at least I could speak for my two budget cycles, generally four meetings. You have wrapped it up and we went to public hearing and advertising. The location will be Company 1, I've already reached out to Chief Moody, I appreciate him being willing to keep us locked in, and that would be a proposed start time at 5:30. I did wanna add one thing, Madam Chair, as you and I spoke of. Traditionally, the board of directors has opted to select citizen members, I'm not sure if that's what this board desires to continue this year. If that is the pleasure of the board, I just ask if there's a person you wish to serve, if you can get their contact information to me, we would put those up as a group for you as one block to vote on. Basically, you'd be appointing them at the start of your budget meeting, but if this recommendation of budget schedule works, the recommended action would be for the board of directors to approve the budget schedule as presented and authorize general manager to advertise his budget schedule.

**0:20:16.5 Madam Chair:** Very good, thank you. Let's discuss first the schedule so we can get you that motion, so you can advertise, and then we'll discuss the citizen appointments separately. So I know Mr. Morris, you and I spoke about a potential conflict for one date. Did you have any other, sir?

**0:20:39.1 J. Morris:** No, but the one on the 11th, I could... I do have the ability to attend remotely if we could set that up.

**0:20:49.3 Madam Chair:** So Mr. Britton, there isn't any reason why we can't conduct a budget work session under the same remote attendance rules, right? Remote participation, there's nothing prohibiting us from doing it?

**0:21:02.9 Matt Britton:** It's just the same as a meeting, whether especially called or regularly called. Work session is just another word, but it's just a regular meeting, you can do it partially electronic, all electronic, or all in person.

**0:21:14.0 Madam Chair:** Very good. Thank you. Alright, Ms. Binder, do you have any conflicts?

**0:21:17.4 C. Binder:** Nope, I'm fine.

**0:21:20.5 Madam Chair:** Ms. Cleveland, do you have any conflicts, ma'am?

**0:21:21.9 C. Cleveland:** I have a conflict on the 18th, but I can remote.

**0:21:26.8 Madam Chair:** Is it something you could attend remotely?

**0:21:27.8 C. Cleveland:** Yes.

**0:21:28.3 Madam Chair:** Okay, thank you very much. And Mr. Parker, do you have any conflict, sir, with the Thursday schedule in March?

**0:21:34.9 A. Parker:** No conflicts, ma'am.

**0:21:38.3 Madam Chair:** Very good, thank you. So I too don't have any conflicts so I will entertain a motion at this time.

**0:21:47.9 C. Binder:** I will make a motion that we have our budget work sessions every Thursday in March at 5:30 at Company 1.

**0:22:00.1 J. Morris:** Second the motion.

**0:22:00.2 Madam Chair:** Can we amend that to direct staff to advertise?

**0:22:05.0 C. Binder:** Amendment to direct staff to advertise that date and time.

**0:22:09.5 Madam Chair:** Thank you. Motion properly seconded. Any further discussion? All those in favor say, "Aye."

**0:22:17 C. Binder:** Aye.

**0:22:18 C. Cleveland:** Aye.

**0:22:18 J. Morris:** Aye.

**0:22:19 A. Parker:** Aye.

**0:22:19.3 Madam Chair:** Any opposed? The Chair votes aye, motion carries. Thank you, Mr. Weakley. So as to the other issue that you mentioned, the Citizen's Budget Advisory Committee, what is the preference of members to follow suit with that custom? Ms. Binder?

**0:22:42.6 C. Binder:** We could keep the same 'cause just for me, if anybody in the Shiloh district wants to serve, my district is the one that has the least service authority customers, so I always have a challenge such for the Service Authority finding a volunteer.

**0:22:54.7 Madam Chair:** Thank you. Mr. Morris?

**0:22:58.7 J. Morris:** I don't have any names, but I welcome any input anybody wants to do.

**0:23:05.3 Madam Chair:** Okay. Ms. Cleveland?

**0:23:07.3 C. Cleveland:** And I as well, don't have any names, but certainly I can think of a few.

**0:23:13.9 Madam Chair:** Very good. Mr. Parker?

**0:23:17.7 A. Parker:** I don't have anybody at this time, but I do have a couple of people I will be contacting to see if they're interested.

**0:23:23.9 Madam Chair:** Very good then. So it sounds like we need to do some recruiting of some citizen volunteers, but there is a willingness to proceed. So there you go, Mr. Weakley.

**0:23:34.7 J. Weakley:** Okay. Thank you, Madam Chair.

**0:23:35.7 Madam Chair:** Yes, sir. The next item is the joint meeting with board of supervisors for discussion, sir.

**0:23:44.7 J. Weakley:** Thank you, Madam Chair. The intent of this discussion item, I know Ms. Binder and I have had some past discussions as well as Ms. Cupka. There's a lot of big picture items or projects that the Service Authority will need to consider but a lot of those also are driven by decisions at the county board of supervisors level so development, whether it's residential or commercial, when that comes to my desk to review by community development, we look at things as far as, "Do we have availability? Do we service this area? Is this area in a primary settlement area?" As far as the development that the county desires, we initially look at your comp plan, we look at those primary settlement areas, but there are big ticket items, decommissioning facilities, if that's the desire of the board on the wastewater side or building new facilities, the sleet shade initiative. So there are multiple... And I hate to say this with the wonderful debt service we talked about, but there's multiple million dollar potential projects, there are timelines that go with that so I thought it was best based on conversations I've had and just at the staff level, really with Mr. Haugman, and my superintendent, and myself that can we make a request that both boards sit down and really discuss those items?

I don't wanna speak for Mr. Laux tonight, maybe that turns into... I know we plan on using Davenport to speak at some of our budget work sessions. Kyle has certainly been briefed on those projects, and some cost estimates are really for staff to go forth with your vision. We really need direction. A lot of these projects were identified in paid studies that you've already authorized, the

feasibility study, which looked at decommissioning Perkins Corner and Oakland Park wastewater treatment plants and rerouting that to Hopyard. A preliminary engineering report was considered, the cost of a new treatment plant for Perkins Corner. A new solids handling facility location 'cause we only have one solids handling facility, and that's at Dahlgren that processes all the solids from our wastewater, our four other wastewater plants. These are big ticket items, including...we really needed to have direction. There's some source water initiative, I'm sure it'll be in there, whether it's Caroline County. You all heard and approved, at least from a concept standpoint, or if there's another approach we take. So big ticket items, it helps me to piece all that together, once you give some direction, and I would imagine there is some joint effort between both bodies. I know all of our debt and financial discussions, there's a more obligation where if someone signs, it's usually the board of supervisors chairperson and the board of directors chairperson.

So naturally, there's some interest, allow those past documents that were signed and approved more obligation by the board of supervisors. There were projects that were discussed, some members already have thoughts and have voiced their concerns of, "Hey, how are those funds expended?" Or, "What project makes sense?" Not only for the Service Authority, but for the developed areas that you all have identified at the County Board of Supervisors level. I didn't have a date put forth tonight, I was gonna recommend maybe we take one of our regularly scheduled meeting, we can certainly clear up some time, if the board of supervisors wants to meet early with the board of directors or if the board of directors wants to start later, that's your pleasure, but the idea is to really in the near future, both boards get together, but let's have some discussions so staff can get direction.

**0:27:48.4 Madam Chair:** Thank you, Mr. Weakley. So let me ask our County Administrator, Mr. Hughes, and our County Attorney, Mr. Britton, do you all have a preference? Would it benefit you all if we did take Mr. Weakley's suggestion and try to do it on a Tuesday, on a regularly scheduled meeting, so it was one less meeting that you had to attend? Is that good with you, Mr. Hughes and Mr. Britton?

**0:28:16.1 M. Britton:** Definitely for me.

**0:28:18.1 Madam Chair:** Okay, and it looks like it's good for Mr. Dines too, so that makes everyone very happy. Thank you very much. So the pleasure of the board is that...

**0:28:28.4 C. Binder:** Madam Chair, I was gonna make one suggestion of maybe we start early, but even at 5:00 o'clock, 'cause some of this discussion is gonna be a little long, so I was gonna suggest on that one day, we start at 5:00, if that's okay with everybody.

**0:28:43.9 Madam Chair:** So then we'll need to reach when we speak with the board of supervisors this evening too.

**0:28:49.6 J. Weakley:** Okay, and I'll just whatever the date... Is the plan to get feedback at the board of supervisor level on a date, and then the board of supervisors will determine that date and then we work off that schedule?

**0:29:03.1 Madam Chair:** Yeah, I think it'd probably be wise. But let me just round out. Mr. Morris, does that work for you on a regular Tuesday?

**0:29:10.9 J. Morris:** It should, yes.

**0:29:13.6 Madam Chair:** Okay. Ms. Cleveland?

**0:29:16.4 C. Cleveland:** It should be okay.

**0:29:16.6 Madam Chair:** Thank you, ma'am. Mr. Parker?

**0:29:18.6 A. Parker:** It won't be a problem.

**0:29:19.9 Madam Chair:** Alright, so I think that's the plan that we'll move forward with and propose it in the next meeting here. Alright.

**0:29:28.9 M. Britton:** And then Madam Chair I know why Jonathon's asking that question. You'll have to pick a date where you can either bring it up at the next meeting for this board because you'll be... Or call it as a special meeting and advertise it that way if you don't bring it up 'cause it does need to be advertised. It'll be a PSA, joint meeting, board of supervisors. So, that's the way, or whatever order, but you can do it as a special meeting if you don't, if you're gonna do it in the next meeting.

**0:30:00.9 Madam Chair:** I don't know that we'd be ready that soon, but... Yeah.

**0:30:02.1 J. Weakley:** No. Whether you prefer March or April, we'll definitely have a public hearing whenever you feel comfortable with the budget.

**0:30:10.6 Madam Chair:** Sure.

**0:30:12.9 J. Weakley:** So whether it's March or April, the preference of this board, I just think somewhere in that time frame while it's fresh on our minds because there's some financial discussions I'll have to have with Davenport to show you this is what we're tracking, this is how we think it fits, what do both boards think. So whatever dates you pick is fine, but as Mr. Britton has pointed out, there has to be a way of advertising for that.

**0:30:37.8 Madam Chair:** Sure. Anything else, Mr. Britton?

**0:30:41.1 M. Britton:** No, Madam Chair.

**0:30:43.3 Madam Chair:** Okay, alright. And anything else, Mr. Weakley, be ready to move on to your report then?

**0:30:46.6 J. Weakley:** Yes, Madam Chair.

**0:30:48.9 Madam Chair:** Okay.

**0:30:50.1 J. Weakley:** So I will be brief. I apologize, it would probably hurt Mr. Dines' feelings and others. I have no slide tonight, but I do wanna mention a couple of items as tongue-in-cheek, sir. We've got a good report going. There are a couple items I do think it's worth mentioning, especially you may hear from some of your constituents. Our regulations allow for the Service Authority to have estimated billing, and that's generally... Last call, I've never enacted that since I've

been here, but as you know, we've had some weather and this meter reading cycle started at the beginning of this month, so we've had some challenges, so we don't anticipate every account, but clearly as this fell on regulations we are required and we will. That bill would be marked estimated bill, so what happens, they look at the prior months consumptions, they get an average, and then the next cycle we're out there, there will kinda be... I like to use the word "true-up", so you'll have that extra read. If it's a credit, it'll be a credit. If it's more, then we catch up. But we'll work with our customer and it's not to overwhelm. We're fortunate that provision's there because whether it affects that, we have to get the bills out on time. So, that's one item I wanted to mention. Secondly, we're still waiting, we anticipate to have the engineering analysis and market study for the... That is big in order, again, for Davenport, myself, to have those conversations and also prepare for this joint meeting as we anticipate having at this month. I had a good conversation earlier with Heartland and Davenport and KG staff. Next step is analyze that and review it and bring it to the board for discussion, and those are really the only two items I'm tracking, I just want to make mention those, particularly the estimated bill 'cause sometimes I can generate some phone calls. That's all I have, Madam Chair, unless there are questions.

**0:32:53.4 Madam Chair:** Any questions from members of the board for Mr. Weakley?

**0:33:00.1 J. Morris:** No, ma'am.

**0:33:02.1 Madam Chair:** Ms. Cleveland?

**0:33:02.1 C. Cleveland:** No questions.

**0:33:03.6 Madam Chair:** Mr. Parker, do you have any questions, sir?

**0:33:08.3 A. Parker:** No, ma'am.

**0:33:08.4 Madam Chir:** Thank you, and I don't have any questions either. Thank you very much, Mr. Weakley.

**0:33:11.6 J. Weakley:** Thank you.

**0:33:14.4 Madam Chair:** Alright, do I have a motion to adjourn?

**0:33:17.4 C. Binder:** I will make a motion to adjourn to March 2nd, 2021 at 5:30 PM in the boardroom.

**0:33:25.6 J. Morris:** Second the motion.

**0:33:28.1 Madam Chair:** Any further discussion? All those in favor say, "Aye."

**0:33:31 C. Binder:** Aye.

**0:33:32 C. Cleveland:** Aye.

**0:33:32 J. Morris:** Aye.

**0:33:33 A. Parker: Aye.**

**0:33:34.4 Madam Chair:** Any opposed? Chair votes aye, motion carries. We are adjourned.