

Regular Meeting, Wednesday, July 11, 2012, 7:00 p.m. Government Center, Verona, VA.

PRESENT: Tracy C. Pyles, Jr., Chairman  
Jeffrey A. Moore, Vice-Chairman  
David R. Beyeler  
David A. Karaffa  
Marshall W. Pattie  
Michael L. Shull  
Larry J. Wills  
Becky Earhart, Senior Planner  
Jennifer M. Whetzel, Director of Finance  
Patrick J. Morgan, County Attorney  
John C. McGehee, Assistant County Administrator  
Patrick J. Coffield, County Administrator  
Rita R. Austin, CMC, Executive Secretary

VIRGINIA: At a regular meeting of the Augusta County Board of Supervisors held on Wednesday, July 11, 2012, at 7:00 p.m., at the Government Center, Verona, Virginia, and in the 237<sup>th</sup> year of the Commonwealth....

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Chairman Pyles welcomed the citizens present.

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Kim Hull, Assistant Planner, led us with the Pledge of Allegiance.

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Tracy C. Pyles, Jr., Supervisor for the Pastures District, delivered invocation.

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GREENVILLE SEWER PROJECT

The Board considered the following:

1. Recommendation of award
2. Sewer System Management Agreement
3. VRA Financing Agreement
4. Budget and scope of project

Patrick J. Coffield, County Administrator, reported that the above-mentioned four items would be discussed tonight.

Jennifer M. Whetzel, Director of Finance, gave a PowerPoint presentation with the following highlights:

History:

- March 2009-Preliminary Engineering Report Initiated
- July 2010-DEQ Funding Request Submitted
- October 2010-DCR (Department of Conservation and Recreation) Funding Request Submitted
- September 2011-SERCAP (South Eastern Regional Community Action Program) Funding Request Submitted
- February 2012-Community Meeting on Grants

A Greenville Sewer Project Funding Chart was displayed indicating the different funding:

- Connection fee laterals: Total: \$540,000 (Grant from the DCR funded \$250,000 and County approved a match on April 27, 2011 for \$290,000)
- Construction funding: Total: \$2,562,400 (DEQ working with Virginia)

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Resources Authority (VRA), which is the Virginia Clean Water Revolving Loan Fund money. Received notification May 19, 2011)

Made up of a 0% loan +/- \$1,562,400 (If more money is needed, a letter of request is required. Cannot ask for more than what was advertised for the public hearing – not to exceed \$3,162,400.)

Principal Forgiveness \$1,000,000

- CUSTOMERS (135): Connection Fee of \$135,000. (Will continue to make payments of \$75 monthly over the course of a year to pay a total of \$1,000 towards their connection fee. They will also pay \$55 monthly which will contribute towards the money going back to pay debt service.)
- SERCAP: Connection Fee Assistance: \$60,000 (If qualified, \$900 will be reimbursed.)
- Other County funding includes Loan Trust approved \$750,000 on June 22, 2011 and \$75,000 on November 22, 2011.

### Bids

- Received and opened 5 bids on June 12, 2012
- Basis of contract Award would be price that would be most beneficial to County-Base Bid or Base Bid plus Additive/Deductive Bid
- Additive/Deductive pricing replaced 6,150LF of force main with gravity pipe
- Recommendation of award is to Fielder's Choice Enterprises, Inc. due to greater value offered by the minimal additional cost for the substituted gravity pipe
- Gravity pipe will allow for greater flexibility when making future connections in this area of the project.
- Amount of contract = \$2,875,113

Ms. Whetzel noted that DEQ has reviewed and approved the low bidder for the Base Bid plus Additive/Deductive Bid.

### Memorandum of Understanding

- Between ACSA and County (reviewed by Board of Supervisors in March, 2012)
- Requirement of financing
- Document consists of:
  - project description
  - scope of duties (construction and operations)
  - financing items, and
  - legal items

### VRA Financing

- Resolutions (Authorizes Chairman, Vice-Chairman, and County Administrator to sign-off on documents. Approves the financing and funding agreements and the Memorandum of Understanding. Authorizes that the debt will be issued by VRA.)  
Commitment letter (From VRA and DEQ; State Water Control Board has authorized funding from the Virginia Clean Water Revolving Loan Fund to the County in an interest-free principal repayment loan up to \$1,562,400 and a principal forgiveness of \$1 million. Payments on loan will begin approximately 6 months after the project is completed, estimated to be December 2013 – June or July 2014 payment.) Ms. Whetzel noted that the loan is to finance a construction of a gravity collection system, pump station and force main to convey sewage from Greenville to the wastewater treatment plant.
- Financing agreement (covers the loan)

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- Funding agreement (covers the principal forgiveness portion of the loan).
- Principal repayment will be secured by the pledge of revenues from this sewer project and supplemented by a moral obligation of the County. Closing would have to be set before September 30, 2012.
- Public hearing – Ms. Whetzel noted that this was advertised in the paper for a public hearing on the issuance of revenue bonds by Augusta County in a principal amount not to exceed \$3,162,400 (\$1 million would be forgivable) to finance a portion of the cost of certain capital improvements to the Greenville Village sewer system and to pay the costs of issuing the bonds. The bonds will be revenue obligations of the County secured by a pledge of the revenues of the Greenville Village sewer system and other funds made available by the County.

Mr. Moore asked about the \$530,000 in privilege fees.

Mr. Coffield indicated that the Greenville Sewage Treatment Plant was built by a private developer. The privilege fee agreement is referred to as the "Rasnick Agreement". Basically, a connection fee is paid to Mr. Rasnick to partially offset his capital costs for capacity. He also noted that, included in the agenda package, were two funding scenarios: 1) Cash amount of \$445,000; 2) Zero cash, with an increased borrowing amount. The second scenario could allow for an escrow account to be created to be used to pay the \$22,000 yearly for the life of the loan. He added that this amount is the "current best estimate"; therefore, this amount could increase or decrease. There is a change order on manholes; there could be additional connections. The work to be performed by Augusta County Service Authority crews has been estimated at \$445,000, but that number could change from now to the completion of the project.

Mr. Wills asked if this was put in an escrow account, would the amount of the loan be set prior to construction or is the final loan amount set at the end of the project.

Ms. Whetzel said that if a letter is written requesting above the \$1.5 million, and it was set aside in an escrow account, it would be \$1,853,530 (zero percent loan). If approved tonight, a letter will be written tomorrow. It will be determined by the current estimate, not actual cost of the project. Mr. Coffield added that the benefit of an escrow account would be that it would be earning interest.

Mr. Wills added that if the project came under the estimated \$445,000, do you take the loan out for less or are we obligated to the full amount of the loan. Ms. Whetzel said we would be obligated for the full amount.

Mr. Moore referred to the memorandum from Mr. Coffield indicating a current "shortfall" of \$445,000 and a memorandum, dated June 16, 2012, from Kim Cameron, Senior Project Engineer of ACSA, indicating a cost of \$4,066,400 (revenue) with a total of \$4,364,084 and asked how they came up with a different amount. Mr. Moore felt that the difference in cost was a big issue.

Kenneth Fanfoni, Executive Director, ACSA, explained that there were 25-30 different cost funding options. He stated that Ms. Cameron's memorandum is correct with the exception that the cost is a little lower currently. Mr. Moore referred to the different funding scenarios and questioned the difference. Mr. Fanfoni stated that that was based on the amount of money that has been offered to date. What she was trying to show in the memorandum is "that we're expecting the project budget to be \$4,364,084 and the funding that has been approved to date is \$4,066,400. Mr. Moore pointed out that the difference is \$297,684 and what is being discussed is \$445,000 (approximately \$145,000 difference). Mr. Fanfoni explained that "part of the problem is that even though the funding sources were \$4,066,400, when you do the actual calculations of how many people are paying bills, we were already at a deficit. So when we went to bid with the project, even with this funding, the project was still going to be running at a \$160,000

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negative.” Ms. Whetzel added that any change in the debt service would change how much would have to be paid back every year which would affect that calculation to the total project cost. Mr. Moore reiterated that the \$160,000 that had already been spent would be accounted for at the completion of the project. Mr. Fanfoni emphasized that his project budget that was done before the bid did not include that extra gravity option. They estimated that at approximately \$200,000 increase. “There was a lot of stuff that was going on behind this letter that you probably don’t see all the different details. That was one of the issues that the project was already in a deficit situation before it went to bid, which we had discussed with the County. The ideas was to see when the bids come in. When the bids came in, it came in, actually, over what the estimate was.” Mr. Moore asked if the \$445,000 was a correct amount. Mr. Fanfoni stated that \$445,000 would be the amount of money that would have to be set aside now to avoid borrowing money, or the money could be borrowed at zero percent and then you would have a \$22,000 a year deficit based on the assumed cost. The debt service is a pretty well set number. We assumed some generic numbers for maintenance, fixing main breaks, power costs for the pump station; so there are some generic costs in there, which may or may not evolve as we do the project; it could be higher or lower. Based on that estimate, \$445,000, or \$22,000 a year, would work. The \$22,000 could be made up if there were more connections because of putting that 6000 feet of gravity line from the top of the hill all the way down to the sewer plant for gravity sewer connections and a lot of commercial properties.”

Mr. Pattie asked how much money has actually been spent on this project. Mr. Fanfoni stated that there are two different numbers. The Service Authority is spending money that is not getting reimbursed by the County. There are also funds that the County is spending.

Ms. Whetzel said that the County has paid the Service Authority \$160,000 toward the Engineering costs, which is beyond that now; the contract is a little over \$300,000 to design the project; another \$21,000 has been spent for grant writing and easement work. She stated that \$181,000 has been paid out currently. Mr. Fanfoni added that the Service Authority is ready to bill the County for another \$125,000. Mr. Fanfoni and Ms. Whetzel confirmed that it is approximately \$300,000, which is primarily Engineering. Mr. Pattie asked when was the “break-even” date. “What year is this going to turn a positive cash-flow?” Mr. Fanfoni said if they received more connections, it would be approximately 5 years; no connections, 20 years. Mr. Fanfoni said that the County would know the potential for development along Route 11. Mr. Pattie asked if we had the capacity at that filtering plant. Mr. Fanfoni said it was a 250,000 gallon plant; currently, they are only using about 20,000 gallons per day; and this project may double it to 40,000 gallons per day.

Mr. Pattie stated that it had been mentioned before “that we were about 8 years away from reaching full capacity of what the Virginia State government allows us to process. Is that tied into this in anyway?” Mr. Fanfoni said that they were talking about countywide basis. “That was a different conversation. What we were looking at is that at a countywide basis, we are permitted for so many pounds of nitrogen that goes into the Chesapeake Bay. At our current level, what we’re doing is trading among ourselves. I’m swapping pounds from Fishersville to Stuarts Draft to Greenville, Weyers Cave. On that basis, I think I can get by eight or nine years using our own internal capabilities. Beyond that point, then we might be on the market going out and buying capacity elsewhere. Yeah, this does affect that.”

Mr. Pattie referred to the EPA Plan that was brought to his attention recently that we needed 194 hook-ups to the sewer system and asked if this was the most cost-effective way? Would it be easier to get 194 hook-ups on Route 11 rather than building this new infrastructure? Mr. Fanfoni stated that “in order to meet that criteria, you had to go to existing homes with failing systems. Generally, they are placed where we don’t have

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public systems. Most of these parts of the County have high density septic systems that don't have public sewers. It's going to be in the western part of the County—Churchville, Augusta Springs have no sewer system whatsoever. This one here, in fact, you already have a treatment plant, which is only a mile away. That's where it is more cost-effective. The Funding also makes it cost-effective because there are probably very few projects in the County where you would get a \$1 million DEQ grant , with \$250,000 DCR grant and a DEQ loan at a zero percent funding. I don't think you're going to get too many other places in the County that qualify for something with this kind of funding offer where you have a sewage treatment plant basically right next to you."

Mr. Shull made the following comment:

Times have changed. Thirty years ago, when I started putting septic systems in, you never heard of an engineered septic system. You didn't have this waste treatment plant up there. You had a Health Department with inspectors and no one knew anything about engineered systems. You had a house that had a failing system, or didn't have a system, they would work their best to try to get some kind of septic system in that was acceptable by the Health Department. But over the years, times have changed. We have engineered septic systems, now and more Health Department regulations. We have DEQ to deal with. We have EPA to deal with. It is not like it used to be. You have people in Greenville that do not have a recorded septic system with the Health Department. Now, in time to come, EPA is getting stronger teeth. They are going to come down on the South River and many other rivers and look at what is going into those rivers. We can turn this project down. I wasn't for this project to begin with. I know what I have done in the past, but I know regulations have changed and so we have to change with them. If the EPA gets stronger teeth than what they are right now, if we turn this down, at some point in time, they may come back and say 'you all were looking at putting a waste treatment system in for Greenville, how come you didn't do it? Now, you need to do it.' Whose cost will it be, then? We might not have the grant or the loan. It will be all upon us. Or, they will come back on these individual homeowners and say that 'Well, you don't have approved septic systems, now you need to put in engineered septic systems at a cost of \$15,000 to \$25,000.' We have opened up the door. These people are public record, now. Do you let them hang out to dry? Who are they going to call on when it comes back to this and say that you need this done? We have to look at that. We have to look at the money that has been spent. You heard what has been spent there. But there is countless hours of staff time that has been put in on this project that is not even accounted for in what they said was spent out. Are we being good stewards to the taxpayers and good stewards of the tax dollars here? I think we are so far into this project that we need to continue on. Somewhere down the road, with the connections that will come, we will get our money back. There are places along Route 11 with the gravity line that this can be made possible. There is commercial land there that can be used. Where do we go from here? Whether we borrow the money or take it out of the other account as Pat has mentioned here? You need to look at what we're doing for our public interest. This river issue—cleaning up these rivers, will be an ongoing thing. Unless, Congress and the President pulls back EPA's reigns, it is not going to happen and I can't see it anytime soon that it is going to happen. I'm supporting this so we'll have to see what the others have to discuss about and then we'll go from there.

Mr. Karaffa made the following comments:

There are two points that I would like to make. First one is that, not this Board, but the past Board passed an ordinance when they were going to make this sewer system, that if you had an undocumented septic system or a failing system, you were mandated to connect. If we go back on our commitment to the sewer project, I believe the Board will be liable to some of those people. I have asked the County Attorney to look into this, but that is something to think about if he wants to expand on that in a minute, he can. The second part is that a lot of folks in Greenville have already paid their connection fees. The past Board deliberated, had the discussions, had a vote, and the direction was set. I think it sets a bad precedent for us to reverse a course. These people expect a connection to happen. We have, obviously now, as Mr. Shull pointed out, many of those with failing systems and undocumented systems visible. I think we have an obligation to do what this government said it was going to do.

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Mr. Pattie made the following comments:

It is kind of another situation where we have been handed something from the previous Board and something that we have to feel our way through, but, you know, I am concerned about the precedent that this is going to set for the rest of the County. We have Springhill Village; we have West Augusta (my district) and this is something that we've talked about. Are we going to pay for everyone's hook-up fee? Are we going to reduce their hook-up fees to a small amount for everyone in the County that has a failing septic system? These are things that we are setting precedent on and that we need to consider down the road. What is the total cost for household that the government is paying?

Chairman Pyles said it was approximately \$35,000.

Mr. Pattie's comments:

That is a big subsidy. I was talking to Ken about this before. I have an imaginary creek on my property that has never failed. If my septic system fails into that, that is something that I would have to repair on my own. The County would not come and assist me at all. That is a concern of mine.

Chairman Pyles made the following comments:

Let me just try and give some background because I have sat through it all. Just to clear the record a little bit, I asked the Health Department about failing systems and documented systems. I said we have 30,000 housing units in the County for the census. We have 8,000 customers. We have 22,000 septic systems in Augusta County. I asked them how many undocumented systems do we have out there? This is from Jason Wheatley, Environmental Health Supervisor, Central Shenandoah Health District, 'The Health Department does not have an estimate on how many sewage systems that the County do not have a permit. Our records, generally, go back to the 1950's.' When looking for records for a particular product, we ask for the tax map number and the current and previous ownership. It is helpful that the current owner knows to whom the permit was issued and when. They simply don't know. They don't ask; and it has not been an issue. If you figure any house older than 1950 probably doesn't have a documented septic system. I asked the same gentleman, how many systems are failing in Greenville? I said to him, 'what you're stating is that there are no known failing systems in the Greenville project area?' 'Correct. No current failing systems within the proposed service area have been brought to the attention of the Health Department. The Health Department has not been part of the survey of residents. We are currently working with an owner where a repair permit has been issued with a Greenville address outside of the proposed service area to repair a failed gravel-bed system.' So there are no failing systems there. There was a lot of narrative written about potential problems and Mr. Shull brings up rightly so—potential future demands, but the problems there are not greater than throughout this County. The worry about the EPA teeth is not greater for anybody else in the County.

What my concern was from the beginning, I have the minutes from when we first allowed money for this project. This is what I said then: We can't afford everything. I don't have any problems with people going forward in their district and doing with their infrastructure money, but there is not enough infrastructure funds to do this. I would offer Ms. Sorrells money from Revenue Sharing in exchange, but she chose not to do that. But instead, we've got bulk water tanks; we've got water tanks; we've got a Fire Department that all takes precedence over the desperate situation. What I was saying there is that Ms. Sorrells tried to do a lot of things. There is a water tank, a Bulk Water facility, a Riverheads Station. Riverheads Station took general funds to do as well. So that came out and set a precedent there. What I'm saying is, within a district, we have infrastructure funds and that is how we ought to do it. And I said 'I can't support this with the \$290,000 (that was what was being asked for then) being leveraged when we need much, much more than that to make a viable plan. My two points was that I didn't want it to come out of general funds; and, two, I couldn't support something that was sorely underfunded.

Ms. Sorrells' response was this: First, there won't be any County general funds used. It will be DEQ money, DCR money, Riverheads Infrastructure money. If we go to service district, it will cover the debt service.

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So the promise to the people and to this Board was that would not come out of general funds. That was my concern then because the difference between using general funds and district infrastructure funds, we can rightly say we're trying to patch these in and everybody is getting the same thing. General funds starts putting us on the line for if you've done it for Greenville, how are you not going to do it for Churchville? How are you not going to do it for Westview? How are you not going to do it for Springhill? How are you not going to do it for Crawford Manor? These are things that are out there. We're taking on a whole new obligation. We are not keeping up with the obligations that we already have with Fire and Rescue, with education, and those sorts of things. Now, we're taking on a whole other task. We had set up a Service Authority to handle water and sewer. Now, we're mixing and blending these so that I can no longer say to my constituents you're not paying for the infrastructure for other places for their water and sewer. What they have in Stuarts Draft, people say, 'Well, you've got all these other places, why can't we have it?' I can rightly tell them, you're not paying for it. That's being paid by those customers of the Service Authority. Now, we're going to start a new venture where we, this Board, has said 'we got your back. We'll put it in.' We're putting up \$35,000 a household to put this in. Is that effective use? We can easily give these \$20,000 to put in their own engineered system and be ahead there and set up grant programs throughout the county for people, when they get their hit, they can do something with it. We're not doing that. We're going to do this because we've got grant money. I'm hoping Mr. Beyeler says this evening what he said this afternoon about grant money. This is a case where grant money is out there but it hasn't worked. We went from my voting no on this because it was going to be more expensive than they said and it was going to take general funds. That was April of last year; June of last year, the Board approved another \$750,000 for this. In Mr. Coffield's letter, he said much of what he said tonight. 'It is hopeful that the actual construction cost will be below Engineer's estimate.' It's always the hope that it is not going to be that amount. I'm betting that this will not be the last time we have to fund something for this project. This will be the fourth time, now, to do something with this. Then we came back in November. 'The next step is to ensure that DEQ and VRA are satisfied to pay the loan.' In September, when approved, Mr. Beyeler indicated he would contribute \$78,000 if needed. Guess what, it was needed. So then another \$78,000 was added to the project. So, now, we're up to \$1,118,000 for this project to start it at \$290,000. Now, today, we need \$445,000 more. Where we have all of these partners—the DEQ, the customers, and the County—nobody else is being asked to contribute anymore—just the County taxpayer. Our amount is going from \$1,118,000 to \$1,563,000. We're getting a 40% increase on a project that went up 10% because we're taking it all on ourselves. I don't think that's fair. This has come up pretty quick. It would be my hope that we could table this tonight and go back to the various other interests to see what else we can do. We can go back to the people who are getting this value. Will they spend another \$5 more a month to get this? They are not paying what they anticipated on a hook-up. It was going to be \$1,000, so 60 some of the are going to have to pay \$100 and may not pay more. When we talk about Mr. Rasnick, he, at one time, said he would do \$1,000, but that was in exchange for working with us to further develop his property. I would think we ought to pursue that. If he would come down to \$1,000, the difference would go away. I don't think we have tried to put the burden on anybody else but the taxpayer because it is so easy to do. All we have to do is four people raise their hands, there is \$445,000. We ought to get everybody who is a player in this to see if they can't do a little bit more. Earlier this year, there were people wanting to raise the taxes because we were going to deplete our reserves too much. This was not in there. The past Board had no anticipation and didn't allow for this or we would have had the budget line for it. There is no budget line for the Greenville Sewer. That wasn't anticipated. So we're going to knock our reserves down further. We increased our taxes this year by about \$1 million. The 45% of that will be chewed up right here tonight by something that is an over-budget typical government-type thing where you go into something not fully knowing the costs, but you won't back out. Sometimes you have to back out. If we choose to try and table this thing, I think we should try and find other players rather than putting it all on the taxpayer.

Mr. Karaffa asked to see a copy of the minutes where Ms. Sorrells spoke.

Mr. Pattie asked Mr. Fanfoni:

One of the things that we talked about earlier was the sewage system and water treatment that we have done and you said that it wasn't the most cost-effective project possible. I was thinking if we had \$4 million and we were to spend it to reduce pollution, where would be the best place to put that money?

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#### Mr. Fanfoni's response:

It depends on what kind of pollution you're talking about. In terms of impact on Chesapeake Bay, I'll tell you right now if we spent \$4 million to further upgrade one of our waste water plants, it would probably have a big impact. If you spent it on some possible agricultural BMPs, it might have a bigger impact. The impact on water quality of these 135 connections is almost immeasurable. It is pretty insignificant in terms of the overall water quality in the South River. I understand that it does have an impact, but in relation to a waste water plant a few miles downstream, that's dumping a million gallons a day to the river, it's a very small impact. I really think that the issue of high density older homes with septic systems, which may not even have enough property to do a repair or to do an engineered system, I just think it's a challenge. Like Tracy said, there's a lot of places in the County. I can take a map and point out 10 of them without thinking about it in just one area. Do I think the \$4 million is the best way to get the biggest improvement for water quality? Probably not. I don't think this is also an issue that isn't going to come up again.

Mr. Beyeler asked Mr. Fanfoni if EPA has standards that are going to require so many septic systems off by a certain time. Mr. Fanfoni gave a handout to the Board that is from the DCR and EPA website and stated:

What DCR is going to require each County to do is to try to achieve a certain amount of reduction in what should go into the streams. What the chart shows is that they established a set of assumptions that you should do such as so many miles of stream fencing and so many fencing out cattle. The septic line item is a small number. He stated that you can get the same reduction by doing something else. "I think what you're going to have to deal with is that there is still going to be a requirement to be a total package, but how you do it individually is going to be up to the County; whether through Stormwater controls or agricultural BMPs that you may choose to support. I don't think they're going to come out and say, 'you have to have so many septic tanks removed;' even though, on that chart, that is the target that they're giving you to meet by 2017. It's not going to be that tight. It's not going to be that restrictive.

Mr. Pattie asked how many failed systems are in the County that we are aware of. Chairman Pyles said there are none in Greenville.

#### Mr. Shull made the following comments:

To clarify that, there are failed systems in there, but they just have not been reported to the Health Department because of the fear of what is going to happen. I know for fact one house in Greenville that water is coming up in the yard. He is hoping that something will be done before they got turned in. That's just one. I don't know how many more. You have systems in Greenville that they don't even have septic tanks in; it's metal tanks; barrels; old fuel tanks that they put in. That's the kind of systems that you have there. They are not up to standards.

Mr. Fanfoni added that there are places that have no systems at all. He knew there was one in downtown Greenville, but also noted there were other areas throughout the County with similar problems. "No indoor plumbing; no septic system of any kind."

#### Mr. Moore made the following comments:

I want to make sure I understand that if we added the \$445,000 on to the additional DEQ loan at a zero interest, then it would cost the Service Authority or the County an additional \$22,000 a year to pay that. Your comment, earlier, I think was made with additional hook-up fees, that \$22,000 could be offset. Any additional development that is on the gravity line is going to be at standard hook-up availability fee?

#### Mr. Fanfoni's response:

Our standard hook-up fee for a customer to connect to public sewer is \$6,000 instead of \$1,000. Beyond this point, I think the deadline has run out. Anybody beyond this point, will pay the full hook-up fee and then \$55 monthly.



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Mr. Moore's response:

For additional hook-ups a year in this area, we would be covering an additional \$445,000, without actually costing—it wouldn't cost the taxpayers and it would be paid through by the user.

Chairman Pyles' response:

Let me clarify that. You would have to pay Rasnick.

Mr. Fanfoni's response:

All new connections would have to pay that \$4,000 privilege fee.

Mr. Moore's response:

That would be passed along to the customer, or is that going to be a charge to the Service Authority?

Mr. Fanfoni's response:

We don't even collect that money. That money goes directly from the customer to John Rasnick.

Mr. Moore's response:

That would be one of the questions I have here. You listed a number of things to reduce costs. One is negotiating that lower privilege fee. Where does that happen? Has that discussion happened?

Mr. Fanfoni's response:

We've had a lot of discussions with John Rasnick. You mentioned the \$1,000 offer. I think that it was probably two years ago he offered to reduce this privilege fee to \$1,000, as opposed to \$4,000; in exchange, he needed something that the Service Authority could not provide. He wanted some assistance on developing his personal property so it goes back to the County.

Mr. Shull's response:

He wanted to put an access road in for Pilot that would cost about \$1 million.

Mr. Moore's response:

The reason I'm bringing this up, with the exception of Tracy and Dave, we haven't been privileged to all the different parts that have gone into the whole. I would have to agree, we've gone too far to back out of this thing. I don't know why we wouldn't take advantage of the zero interest loan from the DEQ to offset this additional cost and then try to make up for user fees.

Mr. Karaffa's response:

What I'm understanding is that the County is going to take on \$22,000 worth of obligation every year? Assuming nothing; what we have now?

Mr. Fanfoni's response:

What I'm saying is that the \$22,000 is based on assumption that our operating costs are going to be the numbers that I've put on this budget. The operating costs are assuming how many main breaks we're going to have, what our power bills are going to be for a station that we haven't built yet.

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July 11, 2012, at 7:00 p.m.

GREENVILLE SEWER PROJECT (cont'd)

Mr. Karaffa's response:

The \$22,000 will become the burden of the taxpayer, not the rate payer?

Mr. Fanfoni's response:

Any deficit that is not covered by the revenue would have to be covered by the County.

Mr. Karaffa's response:

In my comments I have said with the Board making direction, this statement that first, there won't be any County general funds used, that's clearly here.

Mr. Beyeler made the following comments:

On the connection fee, you're talking about residential. Now, if it was a business, or commercial, than that fee would be based on whatever that is. Mr. Chair, I go back a long ways. What happens in this County is countywide. I was on the Board of Supervisors when New Hope sewer went in. The County taxpayers paid for that. They put it in. We talk about infrastructure. Who furnishes infrastructure money? It's the County taxpayers. So it's all taxpayers' money. Now, this project has gotten a little more expensive than we had hoped. We had hoped the engineer numbers were a little high. They came in a little low. If you live in a house and you have no septic, you don't want to live in that house very long. In Greenville, there are areas in there that an alternate system would probably not work; there's not enough room. The Lodge in there, we made Pump and Haul on that and I assume that still is Pump and Haul. Is that still going on?

Mr. Fanfoni's response:

I don't think the Lodge is using that building anymore.

Mr. Beyeler's response:

They quit using the building, but we authorized a Pump and Haul in there for a little bit until we could find out whether or not we were going to do sewer. Any money that we spend – infrastructure – I put money in that project because I believe if we have a sore spot anywhere in the County, it affects the whole County. This is not in South River; this is in Riverheads; and I put some money in there. If you try to make it infrastructure money, if you look at where the revenue is generated in the County, it is not equally in seven districts. There are areas that are getting more revenue infrastructure money than they are generating. The other thing—some of the other projects that we have in the County on water, in particular, you know we have grants; we used County money, infrastructure and other; but the revenue that is generated in some of those areas will not pay the bonds. The rest of the people on the Service Authority are paying those bonds. That's the bottom line. You take Coles Run; Coles Run doesn't furnish any water to the western part of the County, but all rate payers are going to be paying for that. We have to start thinking about the County as a whole, not as a district. If you think about the County as a whole, I don't believe you can not vote for this project.

Mr. Karaffa's response:

I have a thought. I bought my house a number of years ago assuming all the risks and the responsibilities that go along with it. From what I understand, this problem in Greenville did not crop up overnight. I assume these properties have changed hands a number of times and those folks who bought into them knew of the problem. If they didn't, same as me, you owned them. The question is at what point in time does my oversight in a purchase of my home become the responsibility of every other taxpayer?

Mr. Beyeler's response:

That's a good point. But let me also point out that some of those people that own property in

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July 11, 2012, at 7:00 p.m.

### GREENVILLE SEWER PROJECT (cont'd)

Greenville, they or probably their families, probably owned it for 100 years. Nothing really has happened except the Health Department's rules and regulations. Anybody that knows how they used to put in septic systems—a lot of times, went in a 55-gallon barrel, and you were lucky if you had more than one line. That is a lot of that out there in rural areas. Now, one thing that Ken has said that is a little bit different than some other areas that have been brought up tonight, we have a sewer system there that has capacity; some of the areas that were brought up, if you think this is expensive, think about what the cost would be in some of these areas that were brought up if you had to go in and put in a whole new sewer system. This is expensive, but it is nothing compared to what that would be.

Chairman Pyles brought up that there were no motions on the table. Patrick J. Morgan, County Attorney, advised that the public hearing needed to be opened. Ms. Whetzel said that tonight's public hearing would allow the Board to move forward in a future date, you would not be required to have another public hearing. "You are authorized to borrow up to that amount. You can change the amount. If the amount is zero, than that would be the case, too."

Mr. Wills made the following comments:

When I look at this system, and I go back to the promises made by the previous Board, I think government has enough problems with distrust of the public, and I think that we would really create a problem for this current Board if we tried to back out. I would also remind this Board that we talk about spending \$4 million, but, in essence, we're spending \$1.5 million in the County. If you go back to even the start of the Service Authority, much of that revenue was generated by what was known then as 'Federal Revenue Sharing' coming out of the Johnson era. Our County Administrator, at that time, had enough sense not to put it into Operating, but to put it into physical structures; so, in essence, most every sewer system and major sewer plant that we have that was built prior to 1990, was funded with federal dollars—taxpayer dollars. We have an opportunity, and I know there are different thoughts on grants, but this is money from the federal or state government that is going to go somewhere. We have an opportunity to bring some of that back into our community. I don't think, if these funds were to go away down the road, I don't think we have a right to complain because we do need structure at the national level as far as divvying up funds and handing them out. But as long as money is going to be distributed, and we have eligible projects, then I think we need to accept those funds for something like this. There are very few times that you get a third of the cost of something, or almost a third of the cost, or two-thirds of the cost, paid for. I guess we're having to pay back the one loan without things, let's say half a little less than half of costs to pay for it. But that is pretty good economics in my book, that if you can get it for 50¢ on the dollar, you spend it. This is a system and a problem that has been discussed for 20 years. There were concerns in Greenville 20 years ago and there have been some problems up there and they have been corrected, as Dave mentioned one of the lodges and stuff up there and there have been other systems up in there that the Health Department has graciously worked with. I think we're too far into the process at this point to delay. I think if we want to work – the idea of paying Mr. Rasnick, he invested the money to start out with and that was an agreement that another Board made with him to pay him so much. He put the money in to build that sewer plant to that capacity that the County requested and agreed to sell us capacity down the road. He is living up to his end of it. We have a contract with him. I don't hold it against him that we have to pay that amount. It is a contract that we made. I cannot support tabling this at this time. I think we need to move forward to let the people at Greenville know that we have their backs and that we understand that there is a potential problem there. We have spent dollars this far and we need to be honest with what we do. As far as trying to find ways to reduce cost, the other thing that I would like to ensure that when we do is if we have new connections coming on to this, since County dollars are going into it, that connection fees over and beyond whatever Mr. Rasnick receives goes to the County and not to the Service Authority later. It comes back to the County. It would be our "reverse TIF", I guess is what you would call it. It is a way that we recover some of these dollars that we're spending on connections. Now, when the Service Authority puts up the money, or gets the bonds to put the money in the engineered plant, then they deserve the connection fee, but if the County is footing the bill, then the County deserves the connection fee.

Mr. Moore asked if the motion would include that the first \$22,000, or whatever it would cost, annually will go toward the County expense before it goes into the general fund?

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July 11, 2012, at 7:00 p.m.

GREENVILLE SEWER PROJECT (cont'd)

Chairman Pyles' comments:

Mr. Fanfoni, you're already absorbing cost over and above \$170,000 for engineering and whatnot. Are there costs that the Service Authority is absorbing? What was the Service Authority's thought on future connection fees?

Mr. Fanfoni's response:

As far as what we have expended to date, is about \$75,000, Service Authority money that we are not asking for the County to spend. We anticipated throughout the rest of the project probably another \$150,000 on top of the \$75,000. By the end of the project, it will be about \$225,000, which we have budgeted into the Service Authority budget. The issue of the connection fees—it came up when we had a meeting a week or so ago, I think the consensus at that meeting was that if there were additional connections that came in during the time that the system was owned by the County, that fees would go back to the County. At such point that this system came under the ownership of the Service Authority, than the fees would stay with the Service Authority. I think that was what was discussed. At what point it becomes Service Authority property is going to be dependent on at what point your debts are paid off just like we did in Deerfield. We'll take the system once it no longer has any encumbrance of debt service. At twenty years, it would be good. It is already built into the model. Anyone after this point, would still have to pay our fee to connect. The County does not have another fee after that \$1,000 expired.

Patrick J. Morgan, County Attorney made the following comment:

The way the ordinance was written, after time has expired, which it has, the normal connection fees apply. Whatever you charge in connection fees, that's what is going to happen.

Mr. Moore's response:

That would include the additional \$4,000?

Mr. Fanfoni's response:

That is totally separate from our fees; \$6,000 is what we charge.

Mr. Moore's response:

Right. But if someone comes in, it would be \$10,000?

Mr. Fanfoni's response:

That's right.

Mr. Pattie's response:

But, again, we're going to send \$4 million to reduce an insignificant amount into EPA. Just like the Stormwater Pollution Act, I think you said, as a region, we spent \$200 million and reduced pollution by 1/10<sup>th</sup> of 1% on wastewater plants? This, again, are we doing the greatest good for the amount of money? If we took \$4 million—I know some farmers, when I drive by, they have their cows in the water, if we paid for their fences, I think we would reduce pollution a lot more than what we're doing here for Greenville.

Mr. Karaffa's comments:

\$22,000 annually; I would like to hear from the County Attorney about the exposure of liability about what I was asking before.

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July 11, 2012, at 7:00 p.m.

GREENVILLE SEWER PROJECT (cont'd)

Mr. Morgan's response:

One is, by ordinance, this Board has established a service area and required that anyone who does not have a documented approved septic system needs to connect. Those people have started paying their connection fees, fully expecting that they are going to be able to connect to something. We have a solution, or system, that we don't know whether it is going to fail or not, but we have defined it as a failing system because that is the way the ordinance is written. They have an expectation that they are going to be taken care of. The other thing I thought about, since the discussion started, is, although I do not represent the Service Authority, they have gone out and secured easements on the system already, with the assumption that it is going to be built. If it's not built, they have the responsibility of either returning the easements, having to pay for them, will be additional fees.

Mr. Karaffa moved, with no second made, to table this item to have more time to consider.

Mr. Morgan's response:

Jennifer may know better than I do. I know that the bond counsel has set things up in this area; is there a specific time frame on this?

Ms. Whetzel's response:

We would have to go back to DEQ and ask them can we extend our time frame. Our bid is good for 60 days, and we're approaching day-30 on that piece. You can have the public hearing tonight. If it is tabled, I would have to ask DEQ for an extension.

Mr. Coffield's response:

Back in May, DEQ, when it was on a timeline, stated that if you're not going to use it, we have other people. Ken and I are going to be getting calls and we're going to be treading water.

Mr. Fanfoni's response:

DEQ is offering the \$2.5 million loan and grant package, essentially. They are under a lot of pressure to have this money spent. They originally thought this project was going to be put out to bid last year. They weren't real happy about extending it to July. The original deadline they gave us was June 30<sup>th</sup>. They wanted the loan closed by June 30<sup>th</sup>. We talked to DEQ, again, explaining that there was going to be a further delay because of the bidding and their deadline that they gave us was July 31<sup>st</sup>. They said they wanted the loan closed by the end of July. My only concern is that if we keep going back and asking them to push the deadline out. If we get another month, and another month, what is going to happen is they're going to say, 'Well, we're done fooling around with this project. Your money, now, is going to somebody else.' I don't mean to be putting words in their mouth, but I think that could be what they're going to come back with is that 'we've been holding your money for the last six or eight months and, now, you have another delay. I know they had concerns because we have talked to them a lot about this project, I think, the consensus of support for the project. I think, even though that is a local issue, they are well aware of this and they are well aware that there is not unanimous support for the project. I think that is playing into their judgment as how best to use their money because they are responsible for utilizing that money in the most effective way possible.

Vote was as follows:       Yeas: Karaffa

                                  Nays: Shull, Wills, Moore, Beyeler and Pyles

                                  Abstained: Pattie

Motion failed.

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July 11, 2012, at 7:00 p.m.

GREENVILLE SEWER PROJECT (cont'd)

Mr. Shull moved, seconded by Mr. Beyeler, that the Board approve moving forward.

Vote was as follows: Yeas: Shull, Wills, Moore and Beyeler

Nays: Karaffa, Pyles and Pattie

Motion carried.

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GREENVILLE VILLAGE SEWER SYSTEM

This being the day and time advertised to consider issuance of sewer system revenue bonds by the County of Augusta, Virginia to finance capital improvements.

The Chairman declared the public hearing open.

There being no speakers, the Chairman declared the public hearing closed.

Mr. Wills moved, seconded by Mr. Moore, that the Board approve moving forward with the financing with the entire amount that is eligible under the zero percent on the loan and then work to create the fund within our County CIP to ensure the repayment of that money.

Ms. Whetzel asked for clarification of the motion – moving forward with the \$1.8 million number. The Board confirmed.

Vote was as follows: Yeas: Pattie, Karaffa, Shull, Wills, Moore, Beyeler and Pyles

Nays: None

Motion carried.

\* \* \*

Ms. Whetzel advised that the next thing was to move forward with the construction project, itself. She noted that the engineer had done a recommendation of award by Fielder's Choice Enterprises, Inc. in the amount of \$2,875,113, which is the next step in the project.

Mr. Shull moved, seconded by Mr. Beyeler, that the Board award the bid to Fielder's Choice Enterprises, Inc. in an amount not to exceed \$2,875,113 contingent upon approval of funding.

Vote was as follows: Yeas: Pattie, Karaffa, Shull, Wills, Moore, Beyeler and Pyles

Nays: None

Motion carried.

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MATTERS TO BE PRESENTED BY THE PUBLIC - NONE

\* \* \* \* \*

PROJECT GROWS

The Board received a presentation update on Project Grows at the Berry Farm.

July 11, 2012, at 7:00 p.m.

**PROJECT GROWS** (cont'd)

Carol Blair, Executive Director for Commission of Youth, introduced Erin Botkin (Valley Community Services Board and fiscal agent for grants for Project Grows); Ty McElroy (Boys and Girls Club and Project Grows President); Ryan Blosser (Project Grows Coordinator).

Ms. Blair thanked the Board for both the lease of the 10 acres of the Berry Farm and for assistance with the cost for the water hook-ups. After approval was made by the Board for the water hook-ups, the Board had asked that Project Grows give a plan as to how some of those costs could be paid back. Ms. Blair gave a brief history of how Project Grows began. She stated that she had been consulting with the Service Authority since last fall and had discussed how they could connect to the water. There had been many options discussed but the Service Authority felt that the hook-up was the best solution. They had thought (or hoped) that the fees would be waived. Ms. Blair reported that they are prepared to pay for the equipment and labor costs: Total - \$5,864 (hydrants - \$1,286, labor and equipment - \$4,578). She asked if the Board would agree to pay the remainder cost of \$5,873 (hook-up and availability fees). She noted that they have already paid \$2,000. She apologized for making the wrong assumption.

Mr. Pattie asked who were members of Project Grows. Ms. Blair said there are ten community agencies: Food Bank; Boys and Girls Club; Augusta Health Center; Office on Youth; and others. He asked if any were non-profits as part of the organization. Ms. Blair stated that the Hospital; Office on Youth; and Boys and Girls Club; Valley Community Services Board; Social Services; Headstart through Augusta County Schools; Mary Baldwin College. Mr. Pattie asked how much Augusta Health donated. Ms. Blair said they, through their foundation, gave them a \$60,000 multi-year grant. Mr. Pattie made the following statement:

I think what you are doing is great and I think it is a wonderful community service that you guys are doing, but I don't know if public money should be supporting all great projects out there. I do have concerns of that. I went out on a tour. You guys are doing a great job out there!

Mr. Wills asked if Project Grows has the capabilities of paying the water bill each year. Ms. Blair said they did. They have received a grant through the Virginia Foundation on Help the Youth, and they have \$1,500 to pay the monthly bill for the first year with the anticipation that costs may go up.

Mr. Pattie moved, seconded by Mr. Karaffa, that the Board approve the reduction of the amount of money to be given to Project Grows, with a personal donation of \$100, as follows:

<b>PROJECT GROWS</b>				
<u>Expense</u>			<u>Original</u>	<u>Revised</u>
ACSA		\$11,737		
<u>Revenue</u>				
Agr. Development	#83050-6007	FY12	\$ 5,188	\$ 4,000
		FY13	1,256	
Tourism	#81020-5603	FY12	\$ 2,293	\$ 1,773
		FY13	1,000	
Project Grows Grant		FY12	\$ 2,000	\$ 5,864
Supervisor Pattie Donation		FY12	-0-	100
			<u>\$11,737</u>	<u>\$11,737</u>

Mr. Beyeler understands "public money", but stated that "this helps the public because the ones who benefit from this are the people who need this type of project".

July 11, 2012, at 7:00 p.m.

PROJECT GROWS (cont'd)

Vote was as follows: Yeas: Pattie, Karaffa, Shull, Wills, Moore, Beyeler and Pyles  
Nays: None

Motion carried.

Ms. Blair announced that she would like to come back in October and give a "first full season" report and welcomed the Board to come by, especially on Thursdays from 2:00 p.m. to 8:00 p.m., to visit. Mr. Moore suggested to have some of the youth who are involved to come back in October to tell about their experiences.

Mr. Wills commended Ms. Blair on the encouragement of Blue Ridge Food Bank to support the local Food Bank and keep it within the community. "The need at these Food Banks this year is very great. The reduction of foods coming in from major suppliers has been significant."

\* \* \* \* \*

LOCAL EMERGENCY DECLARATION

The Board considered resolution declaring local emergency.

Fire Chief Carson Holloway reported that he had been out of the County when the "Derecho" occurred. Donna Good, Director of the Emergency Communications Center, reported that a chronological report during the storm occurred had been enclosed in the Board agenda package. She noted the damage assessment report is \$1,815,495. She added that she met with FEMA and VDEM today to review the preliminary reports and is waiting to see if the President is going to declare and on the recommendation from FEMA. The resolution tonight needs to be confirmed by the Board, which was declared on June 30<sup>th</sup> at 11:05 a.m. by Chairman Pyles as a Local Emergency. This will be terminated at the next Board meeting.

Mr. Coffield added that, following the event, there were two separate meetings: 1) A briefing in which the Chairman was invited to sit and determine what worked well and what needed to be improved upon; 2) FEMA meeting was a very good meeting in reviewing the process. With a lot of new people involved, he commended those who were available: John McGehee and Chris Hoover. He felt that, working with the federal agencies and working internally would be helpful. Also, recommended was every time there is a newly seated chairman, there should be an actual "sit-down" to go over duties and responsibilities for all types of events. Because of different players, each group (County government, ACSA, Schools) should meet quarterly and then annually with outside agencies. Chairman Pyles added that a follow-up presentation of that meeting would be given in the near future. Mr. Coffield said that the Emergency Operation Plan is under review and will be discussed in September. Ms. Good stated that this had been mentioned at the LEPC meeting today and noted "We are one of the first localities that are regionalizing our plan with Staunton, Waynesboro and Augusta County because we do work together with shared services so this would be a regional plan."

Mr. Karaffa stated that when he gotten the phone call, it had been reported that there were no fatalities inside of the County and asked if that was still true. Ms. Good said that was correct. He asked about damages to public buildings. Ms. Good said that Hardee's lost their sign. Schools lost some food because of the loss of power. There were no damages to buildings.

Ms. Good stated that they had over 680 calls from 7:00 o'clock to midnight. She commended the Fire and Rescue and Law Enforcement and her dispatchers. "They did a great job for the whole event."



July 11, 2012, at 7:00 p.m.

### LOCAL EMERGENCY DECLARATION (cont'd)

Chairman Pyles stated that he had asked Mr. Fanfoni to give a report on what the Service Authority did.

Mr. Fanfoni summarized:

There were over 50 places out of power. We lost water supply, power in every service area. We worked. We had 25 people in here around the clock for three days and we were able to maintain the water pressure throughout the whole County. That was a real challenge for us to keep moving generators around. Some of you have seen our SCADA system to monitor. Probably half of our 150 facilities stayed in operation. We were able to watch the water tank, watch the water pressure, watch the tank levels and pump stations throughout the County and then dispatch around the clock from one central location. That was the only way we were able to operate. No one in the County lost water. We had one minor situation. Craigsville was out of water and they asked us for help. We had no power so we ran a generator down at Augusta Springs to run our water plant to keep our system pressurized and giving them water.

Mr. Beyeler said he received a lot of praise from the Landfill. Mr. Fanfoni said that the Landfill had been busy from between the storm and the cleanup; approximately 5,000 loads of brush have been taken to the Landfill.

Mr. Karaffa moved, seconded by Mr. Moore, that the Board adopt the following resolution:

#### **DECLARATION OF LOCAL EMERGENCY**

**WHEREAS**, due to a derecho passing through virtually all of the County of Augusta, Virginia (the County) with winds surpassing 80 mph on Friday evening, June 29, 2012, the County is facing dangerous conditions of sufficient severity and magnitude to warrant coordinated local government action to prevent or alleviate the damage, loss, hardship or suffering threatened or caused thereby; and

**WHEREAS**, the conditions of extreme peril to life and property necessitate the proclamation of the existence of a local emergency; and

**WHEREAS**, circumstances do not permit the Board of Supervisors of the County of Augusta, Virginia to convene to consent to the declaration of a local emergency;

**NOW, THEREFORE**, pursuant to Virginia Code § 44-146.21 and, as provided therein, subject to confirmation by the Board of Supervisors at its next regularly scheduled meeting or at a special meeting within fourteen (14) days of this declaration, whichever occurs first, Tracy L. Pyles, Jr., Chairman of the Board of Supervisors of the County of Augusta, Virginia and Emergency Services Director of the County of Augusta, Virginia declares and proclaims the existence of a local emergency in the County of Augusta; and

It is further proclaimed and ordered that during the existence of said emergency the powers, functions, and duties of the Director of Emergency Services and the Emergency Services Department of the County of Augusta shall be those prescribed by state law and the ordinances, resolutions, and approved plans of the County of Augusta in order to mitigate the effects of said emergency.

Date: June 30, 2012  
Time: 11:05 a.m.

Vote was as follows: Yeas: Pattie, Karaffa, Shull, Wills, Moore, Beyeler and Pyles

Nays: None

Motion carried.

Ms. Good said brochures for preparedness, given by Shenandoah Valley Project Impact, were available.

July 11, 2012, at 7:00 p.m.

LOCAL EMERGENCY DECLARATION (cont'd)

Mr. Shull suggested that centers should be available for the elderly and asked what facility is available in Riverheads. He understood there was an issue because of not having a generator available. Mr. Moore said that the schools that have generators are already set up for emergency shelters. Ms. Good said Stuarts Draft would be the closest one for Riverheads.

Mr. Coffield said that if a school is opened for a shelter, Department of Social Services, nurse, School personnel, and Law Enforcement is required to be available and it is difficult to maintain in emergency situations. It is easier to place generators at recreation centers and fire stations. He said that the kitchens are more manageable. People will go to family or friends before using these facilities; therefore, the numbers are low and the smaller facilities are more comfortable for those who need the shelters.

Ms. Good said that certain fire departments opened up "cooling centers" where ice and water was distributed and people could take showers. Mount Solon, Weyers Cave, Craigs ville, Deerfield, Churchville, Swoope, Verona, and Walker's Creek were opened through the whole event.

Mr. Pattie suggested that it be better communicated to the public.

Chairman Pyles stated that was why the briefing was requested to make it a better procedure to follow and more accessible to the public. "We need to determine what we can do and how to distribute the information."

Mr. Wills commended staff and volunteers for what had been done. "This has been a tremendous learning experience as well as a disaster. It was handled well."

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ROUTE 636 – PPTA PROPOSAL

The Board considered recommendation from PPTA Review Committee to proceed with the advertisement for competing proposals.

Patrick J. Morgan, County Attorney, reminded the Board that that the Board recently passed the policy under the Public Private Transportation Act which accommodates certain transportation for improvements. As anticipated, they have received an unsolicited proposal to address the relocation of Route 636. Mr. Coffield put together a committee to review the proposal to ensure that it complied with the minimum requirements of the policy. It was determined that it did. The next step is for the Board to consider "acceptance of the proposal and soliciting more interested parties to submit competing proposals". He advised that by accepting the proposal, this would allow more detailed consideration to determine whether or not to go on with consideration of the proposal. Even if the Board solicits more proposals, there is no requirement that they enter into a contract. If approved, a thirty-day period would be required for the competing proposals. August 17<sup>th</sup> should be established as the deadline for accepting any competing proposals. He noted that those who submit the proposals, should be submitting an idea of how the funding would be procured. The committee did recommend that the proposal be accepted and that the County Administrator be authorized to advertise.

Mr. Moore reiterated that the County is under no obligation.

Mr. Moore moved, seconded by Mr. Beyeler, that the Board accept the recommendation.

July 11, 2012, at 7:00 p.m.

ROUTE 636 – PPTA PROPOSAL (cont'd)

Vote was as follows: Yeas: Pattie, Karaffa, Shull, Wills, Moore, Beyeler and Pyles

Nays: None

Motion carried.

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FIRE AND RESCUE GRANTS

The Board considered following grants:

- 1) SAFER Grant
- 2) Ambulance Grant

Chairman Pyles noted that a Special Meeting was held on this issue today at 1:30 and it was the consensus of the Board to have further discussion tonight.

1. SAFER GRANT

Fire Chief Carson Holloway covered the following high points:

On June 29<sup>th</sup>, they were notified as being a recipient of a grant through the Department of Homeland Security for a grant applied for in February for \$2.2 million. The number of positions for this grant would be 21 positions. They have 30 days to accept from the date of notification. They also have 90 days for recruitment period beginning June 29<sup>th</sup> and ending September 22<sup>nd</sup>. This grant would be for a two-year period. To start recruitment, it would be fully funded (All benefits and salaries). There is some in-house costs. Deployment scenarios had been discussed earlier today.

Mr. Karaffa moved, seconded by Mr. Pattie, that the Board accept the SAFER grant with the understanding that the Fire Chief provide an independent study of fire departments' needs, without the influence of any Board member.

Chairman Pyles made the following comment:

Let me ask you to just make it for the grant and propose something to you that is more broadly approaching what you had concerns with and what Mr. Wills had concerns with. I think, to get this done, would be hard to do in two weeks. We wanted to have a meeting in August to go over the whole issue and there is information here I would like, and I won't be a part of it; it will just be mainly staff doing these things. They will be going through each of the things to redefine our relationships with everyone. Staunton and Waynesboro—how would that work? In this instance, Chief Holloway and Mr. Coffield, or Mr. McGehee, would be determining and working with those folks—what are the mutual aids that we're giving each other? What's the cost? How should we fairly apportion those costs? That the Chief and Mr. Coffield and Mr. McGehee meet with Rockingham, and with those considerations, after meeting with Weyers Cave, Grottoes, Mt. Solon, what they think they can and can't do, that we revisit with Rockingham County the amount of money that we're paying them--what that facility should be. That the Chief would take a look at all the out-of-county agencies that serve us—Nelson County, Rockbridge County, Bath County, and Highland County—and look at each of those agencies and see what is a fair apportionment for costs and services. Will we need less depending on how we put our people out? He would do that review. He will meet with SARS and Waynesboro and he will prepare for us, for each area, the pros and cons of putting revenue recovery there. If we put it at Preston Yancey, what would the area be? What is the costs going to be? What is the savings going to be? We look at Riverheads. We look at Verona. We look at Weyers Cave. We look at New Hope. So we can all look at that at this later date, saying, 'okay, here is this. What serves the County best? What is our best value?' There will probably be some areas that makes sense for Waynesboro and SARS to still encumber; or how we do it. He, in meeting with them, and meeting with individuals, coming up with a cost value analysis on that. Then I would ask that every Board member meet with their individual agencies and get some feedback from them of what objectives are with these SAFER grants and then get their thoughts on how to improve the volunteer

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### FIRE AND RESCUE GRANTS (cont'd)

system, but then to the extent possible, have each agency write a self-critique analysis narrative of where they are today, what's their health, what are they going to need going forward, what are their strengths? Something like that for us to come back and look at. From all that, let's say on August 22<sup>nd</sup>, whatever we can get back to the form of data, it be brought back to us and then we have that big meeting on the 29<sup>th</sup> where we take recommendations that come from the Chief and whatever you guys bring to him and then we make, on the 29<sup>th</sup>, decisions on deployment. The 29<sup>th</sup> still leaves us a month to deploy them and to fund other things, but it gives him six weeks to put together this packet of information. Is that something that this Board would entertain?

#### Mr. Karaffa's response:

The purpose of my addendum to the motion was to clearly get across to all the agencies involved that the deployment of these 21 personnel was not in any way influenced by political bias but was solely based on the needs inside the County. If that is the kind of time the Chief needs to pull that type of information together, but to again stress that deployment is based upon the needs of the County as he best sees them and not based on any of ours, including my own, biases of where we would like to see those personnel placed. I will accept that.

#### Mr. Wills made the following comments:

I would like to make an addendum to the motion to the understanding that at the end of the grant period, that the County would evaluate the positions and that we have the ability to eliminate any up to all these positions that we find would not jeopardize the safety of our community at that point. The grant allows us to do that. Just to make it clear, that this is not something where we employ 21 people and no matter what, at the end of the grant period, when it becomes totally local funds, that we guarantee that we will be continuing to fund locally-funded 21 positions. We fund the positions that we feel are critically necessary at that point.

#### Mr. Beyeler made the following comment:

Mr. Wills, I think you want it done in the budget period that would be affected.

#### Mr. Pattie made the following comment:

I did request that in September 2013 we get a cost-benefit analysis of that.

Chairman Pyles clarified the motion to approve the grant for the 21 positions, that we recognize that there is a time limit of two years and this vote no way obligates the County to go beyond the two years with the 21 positions and then it will be set to deploy the people at a meeting on August 29<sup>th</sup>.

#### Mr. Beyeler made the following comment:

I will be voting against this. Not that we don't need some people, but 21 or nothing, I don't think we need 21 and I still don't believe we need 21; so I'll be voting against the motion because, to me, it is wasted taxpayers' money—the total 21—not that we don't need some of them.

#### Mr. Pattie's comments:

In the short term, it's the first year it is going to cut our expenses a little bit. We saw there's going to be a net positive there.

#### Mr. Moore's comments:

I would like to re-emphasize what I said earlier today because I know there has been some issues in the past of full-time people being hired and wanting to stay and where they want to stay. I think what this truly does give us is some flexibility to address needs as

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FIRE AND RESCUE GRANTS (cont'd)

they arise and be able to have some floating people to put. I would encourage you to be forthright with the people that you hire that that's going to be our new policy going forward—that we're going to put you where you need you and that's going to be part of the job.

Chief Holloway's comments:

We have explained it and will continue to do so. That has been our policy. One other clear clarification. Will I be able to start the hiring immediately if approved?

The Board confirmed that he would be able to hire immediately.

Vote was as follows: Yeas: Pattie, Karaffa, Shull, Wills, Moore and Pyles

Nays: Beyeler

Motion carried.

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FIRE AND RESCUE GRANTS (cont'd)

2. AMBULANCE GRANT

A handout was distributed to the Board. As background, he noted that in March, he put in for the Rescue Squad Assistance Funding Grant for two ambulances at the cost of \$215,000 each. They have succeeded in getting one ambulance on a 50-50 basis (CIP Account #8057). The grant would be \$80,000 towards half the purchase price of the ambulance; \$55,000 would be needed for equipment. The County's share would be \$135,000. He reiterated that he applied for two ambulances but received approval for one.

Ms. Whetzel further explained that you would be "unallocating" half of what was set aside. "You leave \$135,000 to match this grant and equip the ambulance and the other \$135,000 would go back into the depreciation account.

Mr. Karaffa moved, seconded by Mr. Wills, that the approve the request at an amount not to exceed \$135,000.

Mr. Beyeler felt that "we have agencies that can serve the County as well or better than what we will be able to. I will be voting against the motion."

Vote was as follows: Yeas: Pattie, Karaffa, Shull, Wills, Moore and Pyles

Nays: Beyeler

Motion carried.

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WAIVERS/VARIANCES

The Board considered RAHE, Inc. (McDonald's) waiver (Beverly Manor District). **This was tabled at the June 27, 2012 Regular Board Meeting.**

Mr. Karaffa noted that originally the Board received information about McDonald's requesting a waiver, and, at that meeting on June 27<sup>th</sup>, requested more information. The final report has not been received and Mr. Karaffa requested that this item remain on the table.

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July 11, 2012, at 7:00 p.m.

CONSENT AGENDA

Mr. Pattie moved, seconded by Mr. Moore, that the Board approve the consent agenda as follows:

MINUTES

Approved minutes of the following meetings:

- Regular Meeting, Wednesday, June 13, 2012
- Staff Briefing Meeting, Monday, June 25, 2012
- Regular Meeting, Wednesday, June 27, 2012

CLAIMS

Approved claims paid since June 13, 2012.

Vote was as follows:           Yeas: Pattie, Karaffa, Shull, Wills, Moore, Beyeler and Pyles

                                      Nays: None

Motion carried.

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MATTERS TO BE PRESENTED BY THE BOARD

The Board discussed the following issues:

Mr. Beyeler: Stuarts Draft Fire Department – Annual fundraiser beginning tonight through Saturday. “Come out and support the fire company. If we all supported our fire company, we would not need as many grants.”

Mr. Wills:

1. Extension Agent Interviews – Has sat in on one set of interviews. Process is moving forward. Mr. Carter’s position has already been advertised, effective July 6<sup>th</sup>. Will proceed with those interviews during August. Noted that “we are without an ‘inside agent’ for this period of time”. Mr. Carter is still helping out and Mr. Wills commended him for his dedication to the County.
2. Library entrance – concern had been expressed concerning the main entrance inconvenience during the heat or very busy times. Request was to open the original door during those incidents.

Mr. Shull: Thank you to firefighters, electric companies, County officials during the storm. “Neighbors helping neighbors!”

Mr. Pattie: During the storm, took a tour around North River District and saw the three new firefighters clearing power lines and trees. “In North River, we probably have more chainsaws than we do people. What I saw people clearing the roads primarily and privately – just going out and doing it. I hear people asking why we still have a low tax rate. I think it’s because we still have citizens—a group of people that go out and they work for the County. I had people grading the roads and filling in potholes and I was pretty proud of my people and was pretty happy with what we were able to do out there.”

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MATTERS TO BE PRESENTED BY THE BOARD (cont'd)

Mr. Karaffa:

1. Reassessment Committee met. Distributed information to the Board.
  - Website availability to public
  - Board member tours
  - Currently working areas
  - Update sales study will be discussed at next Staff Briefing (July 23<sup>rd</sup>)

Mr. Wills added that it was very important for the Board to review properties and sales analysis and noted that they will not engage the Board in discussion as to the current evaluations of property in its district. The Board needs to be completely isolated from those evaluations. A Press Release will be given at the July 23<sup>rd</sup> meeting to alert the citizens of the process.

2. Volunteer incentive package - asked when the Board will be receiving information.

Chairman Pyles said that this would occur in August.

Chairman Pyles: Fire and Rescue Meeting in August – 9:00 a.m. was the consensus for the Board and open to the public.

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MATTERS TO BE PRESENTED BY STAFF

Staff discussed the following:

1. Commissioner of Revenue – BPOL Part-time Business Auditor - \$16,794
2. Extension - July 11<sup>th</sup> – Agronomy Interviews; July 26<sup>th</sup> Animal Science position advertisement closeout
3. VACo Legislative Summer Meeting – August 17<sup>th</sup> – 9:00 a.m. to 2:00 p.m. – 2013 Draft Legislative Package will be available.
4. NACo Awards: “Title 1 Library Cards” and “Augusta Springs Park – a community investment”

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CLOSED SESSION

On motion of Mr. Moore, seconded by Mr. Beyeler, the Board went into closed session pursuant to:

- (1) **the personnel exemption under Virginia Code § 2.2-3711(A)(1)**  
[discussion, consideration or interviews of (a) prospective candidates for employment, or (b) assignment, appointment, promotion, performance, demotion, salaries, disciplining or resignation of specific employees]:
  - A) Boards and Commissions
- (2) **the real property exemption under Virginia Code § 2.2-3711(A)(3)**  
[discussion of the acquisition for a public purpose, or disposition, of real property]:
  - A) Wayne District
  - B) North River District

On motion of Mr. Karaffa, seconded by Mr. Beyeler, the Board came out of closed Session.

July 11, 2012, at 7:00 p.m.

CLOSED SESSION (cont'd)

Vote was as follows: Yeas: Pattie, Karaffa, Shull, Wills, Moore, Beyeler and Pyles

Nays: None

Motion carried.

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The Chairman advised that each member is required to certify that to the best of their knowledge during the closed session only the following was discussed:

- 1. Public business matters lawfully exempted from statutory open meeting requirements, and
- 2. Only such public business matters identified in the motion to convene the executive session.

The Chairman asked if there is any Board member who cannot so certify.

Hearing none, the Chairman called upon the County Administrator/ Clerk of the Board to call the roll noting members of the Board who approve the certification shall answer AYE and those who cannot shall answer NAY.

Roll Call Vote was as follows:

AYE: Pattie, Karaffa, Shull, Wills, Moore, Beyeler and Pyles  
NAY: None

The Chairman authorized the County Administrator/Clerk of the Board to record this certification in the minutes.

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VALLEY COMMUNITY SERVICES BOARD - APPOINTMENT

Mr. Moore moved, seconded by Mr. Karaffa, that the Board appoint Rebecca J. Simmons to serve a three-year term, effective July 1, 2012, to expire June 30, 2015.

Vote was as follows: Yeas: Pattie, Karaffa, Shull, Wills, Moore, Beyeler and Pyles

Nays: None

Motion carried.

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EMERGENCY SERVICES GRANT COMMITTEE - APPOINTMENT

Mr. Moore moved, seconded by Mr. Karaffa, that the Board appoint William Andrew Shaver to serve a three-year term, effective July 1, 2012, to expire June 30, 2015.

Vote was as follows: Yeas: Pattie, Karaffa, Shull, Wills, Moore, Beyeler and Pyles

Nays: None

Motion carried.

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July 11, 2012, at 7:00 p.m.

ROUTE 636 – RIGHT-OF-WAY

Mr. Moore moved, seconded by Mr. Wills, that the Board authorize County Attorney to draft contract and initiate negotiations for the purchase of the right-of-way.

Funding Sources:

Wayne Infrastructure Account	#80000-8017-77	\$24,360 (2/3)
Beverley Manor Infrastructure Account	#80000-8011-56	<u>\$12,180</u> (1/3)
		\$36,540

Vote was as follows: Yeas: Pattie, Karaffa, Shull, Wills, Moore, Beyeler and Pyles

Nays: None

Motion carried.

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ADJOURNMENT

There being no other business to come before the Board, Mr. Moore moved, seconded by Mr. Pattie, the Board adjourned subject to call of the Chairman.

Vote was as follows: Yeas: Pattie, Karaffa, Shull, Wills, Moore, Beyeler and Pyles

Nays: None

Motion carried.

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Chairman

h:7-11min.12

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County Administrator