



**MIDDLEBURG TOWN COUNCIL
REGULAR WORK SESSION MINUTES
Monday, April 11, 2011**



PENDING APPROVAL

PRESENT: Mayor Betsy A. Davis
Vice Mayor C. Darlene Kirk
Councilmember Trowbridge Littleton
Councilmember Kathy Jo Shea
Councilmember Mark T. Snyder
Councilmember David B. Stewart

STAFF: Martha Mason Semmes, Town Administrator
Rhonda S. North, MMC, Town Clerk
David M. Beniamino, AICP, Town Planner
Cindy C. Pearson, Economic Development Coordinator

ABSENT: Councilmember Kevin Hazard
Councilmember Catherine "Bundles" Murdock

The Town Council of the Town of Middleburg, Virginia held their regular monthly work session on Monday, April 11, 2011 in the Town Hall Council Chambers, located at 10 W. Marshall Street. Mayor Davis called the meeting to order at 8:00 a.m.

Presentation – Town Utility System – Water Management, Inc.

Town Administrator Semmes reminded Council that she has been working with Water Management, Inc. to look at the Town's unaccounted for water. She noted that they were looking at the meters, talking to people and looking at the available technology. Ms. Semmes explained that Water Management wanted to offer their ideas for a public/private partnership that may benefit the Town.

Russ Horner and Ken Jacquay, of Water Management, Inc., appeared before Council. They presented a handout containing materials, including their PowerPoint slides. Mr. Horner advised Council that it had only been a small amount of time since they began their exploration of Middleburg's system. He noted that when they performed some rough calculations, the unaccounted for water was fifty seven percent (57%) last year, which was a huge number. Mr. Horner expressed his opinion that this was why Middleburg's water rate was so high; and, noted that he has been told that it was the second highest in the State.

Mr. Horner advised Council that when looking at water loss, the first issue that came to mind was underground leaks. He noted the need to look for them. He advised that apparent losses also occurred; and, explained that they were the result of problems with the metering system. Mr. Horner reiterated that real losses occurred through leaks. He noted that the water from these leaks sometimes bubbled to the surface; however, often they were not found as the water went into the ground or a storm drain. Mr. Horner advised that this loss could be significant.

Mr. Horner advised Council that when treated water ran through the water mains, but did not enter a home and ultimately the wastewater treatment plant, it did not cost the Town as much. He noted that there was a cost to pump and treat the water; however, he suggested this should not be the Town's first focus. Mr. Horner advised that they would obviously still work on that problem; and, advised that they could listen to the hydrants and valve boxes using a stethoscope to see if there was any leaks nearby. He noted that the Town planned to check for such leaks next week through the use of Virginia Rural Water Association's services.

Mr. Horner advised Council that there were three locations for losses – meters, pipes that were leaking or someone who was receiving water for which they were not being billed. He suggested the need to ensure these items were quantified. Mr. Horner presented a chart prepared by the American Water Works Association (AWWA), along with information related to Middleburg. He noted that Middleburg's wells produced forty-four million gallons of water last year; however, the Town only billed for nineteen million gallons. Mr. Horner suggested the need to figure out where the remaining twenty-five million gallons were going, including how much was going to leaks, how much was going to meter inaccuracies and how much was going to people who were receiving the water but not being billed for it. He expressed his opinion that the Town needed to make sure it did everything to quantify this information.

Councilmember Snyder noted that the slide indicated that the numbers were in millions of gallons per day. Mr. Horner confirmed it was per year.

Mr. Horner expressed his opinion that the water audit methodology recommended by AWWA made sense. He suggested that in trying to figure out how to find/quantity the twenty-five million gallons of water lost per year, the first thing to do was to review the Town's existing operations. Mr. Horner reported that they have already done some this. He advised that the next thing Water Management would want to look at was the production meters at the wells. Mr. Horner explained that those meters could be wrong; and, the Town could be pumping less water than they were showing. He suggested that, if this was the case, the Town may not have an unaccounted for water problem, as it would simply be a case of the meters over registering. Mr. Horner suggested the need to look at the flows from the wastewater treatment plant to make sure that what was going in equaled what was going out. He expressed his opinion that the Town had an advantage in that the meters at the wastewater treatment plant were new.

Mr. Horner advised that they also wanted to look at each of the Town's utility accounts. He noted that the Town operated its billing system using a MS-DOS based system. Mr. Horner expressed his opinion that the data from this system was hard to read; and, noted that it could not be exported into an Excel spreadsheet. Councilmember Snyder confirmed it could be done with some of the data. Mr. Jacquay agreed. Mr. Horner advised the Council that they have done some data entry into an Excel spreadsheet for five to six quarters. He noted that, in doing so, they listed the accounts by residential and commercial categories.

Councilmember Snyder noted that when he first asked for the data, he was also told that the information could not be retrieved from the system in that format. He advised that he told the staff it could. Mr. Horner advised Council that they have been told that the Town's software may have additional features. He noted that the Town did not have many utility accounts; and, advised that they could easily share their findings and sort the accounts. Mr. Horner further noted that they could filter the columns; and, look at accounts with the lowest consumption. He reported that the Town had approximately thirty accounts with really low consumptions, including one commercial account that seemed to be running very low. Mr. Horner recommended that before testing all of the meters, his firm should target a couple of the accounts.

Mr. Horner advised Council that the next thing that Water Management wanted to know was what kind of meters the Town used. He noted that a study was done in Ashville, NC; and, they found lots of problems with their meters. Mr. Horner cited an article that talked about problems with meter inaccuracy. He noted that this could be the result of the way the meters were installed or that the electronics were not correct. Mr. Horner advised that the study found that the revenue that was lost as a result of water that was going through the meters but not being recorded was ten times more than the volume of water lost as the result of leaks. He suggested that while it was important to fix the leaks, the Town should focus on the revenues that hit the bottom line the most.

Mr. Jacquay displayed a photograph of a production meter that was located at Well 3. He noted that customers came to them all the time with water problems; and, most of the time complained it was on the consumption side due to underground leaks. Mr. Jacquay reported that underground leaks were rarely the problem. He explained that the first thing his company did was to talk in terms of average daily consumptions (ADC) or how much each customer was using based upon individual units. Mr. Jacquay explained that they took the total consumption and divided it by the number of days in the billing cycle. He noted that an analogy to this was miles per gallon for a car. Mr. Jacquay suggested that if a customer did not know their ADC, the numbers were just numbers. He reported that, according to the American Water Works Association, the average person used seventy gallons of water per day. He noted that this number decreased to fifty gallons/day if the customers used low flow toilets. Mr. Jacquay suggested the Town could look to see if there were any customers who were not using at least fifty gallons of water per day; and, expressed his opinion that if they were not, something was wrong. He noted that the only customers that this would not apply to would be those who were out of town. Mr. Jacquay advised Council that even the elderly used between fifty and seventy gallons of water per day. He noted that this number would be considerably higher if there were multiple people in the unit.

Mr. Jacquay reported that in one of their cases in California, they found that the customer had toilets that were running. He noted that, in that case, there was no reason to test for leaks as there were no underground leaks. Mr. Jacquay advised that, in that case, his company had a year's worth of consumption data; and, they found the consumption to be erratic. He noted that underground leaks did not fix themselves; and, only got bigger over time.

Mr. Jacquay displayed a photograph of the three-inch turbine meter at Well 3; and, noted that it was made to record a lot of water going through the meter at any given time. He suggested that if the amount of flow started to slow, the meter would quit recording. Mr. Jacquay expressed his opinion that in the case of wells, the turbines were usually fine as they usually were on or off. He explained that the problem was that most meters took a sample of water going through them; and, advised that if the water was disturbed, they could get little waves going through the turbine. Mr. Jacquay explained that this would result in the meter not recording all of the water or a jetting could occur that would make the turbine spin faster than it should. He noted the strainer on Middleburg's meter; and, suggested there was a good chance the meter was over recording the production. Mr. Jacquay suggested these meters be checked first. Mr. Horner noted that Well 3 was not a high producing well for the Town. Town Administrator Semmes confirmed it was the lowest producer. Mr. Horner noted that this may not be the Town's worst issue. Mr. Jacquay noted that he has not tested the meter; therefore, he did not know for a fact that it was a problem. He advised that he has only read the manufacturer's specifications, which indicated that the placement of a strainer on the meter was a "no-no". Town Administrator Semmes reminded Council that this well was only run four hours per day.

Mr. Jacquay advised Council that while the Town would want a strainer in front of the meter, the strainer that was used was not one that was recommended by the manufacturer. He noted that the Town also did not want the valve to be so close to the meter. Mr. Jacquay advised that the meter was also installed using ninety degree bends; and, noted that the manufacturer said this could not be done. He advised that the manufacturer did not indicate how much this would throw off the readings, it just said not to do it. Mr. Jacquay expressed his opinion that the meter could be fine; however, he suggested it was something that should be explored.

Mr. Horner expressed his opinion that if the meters were over-producing, they were probably not over-producing by very much. He explained that they were just trying to identify a combination of items that could be contributing to the percentage of unaccounted for water.

Mr. Horner advised Council that the wastewater treatment plant had an ultrasonic meter that measured depth, flow and height. He noted that at any time, one could get a printout that showed how many gallons of water per day were flowing through the plant. Mr. Horner reported that this meter measured fifty-nine million gallons per year. He noted that the Town was only producing forty-four million gallons of water per year. Mr. Horner asked why there was a difference. Mr. Jacquay noted that he was at the plant one time when the meter was not running at all. Mr. Horner noted that when he looked at the meter, it registered a flow that would equate to forty-four million gallons/year; however, when Mr. Jacquay saw it, it was registering flow that equated to fifty-nine million gallons. He noted, however, that the Town had just experienced rain.

Town Administrator Semmes advised Council that she just received the March flow numbers from the wastewater treatment plant; and, reported that they were running at an average of one hundred twenty thousand gallons per day. Mr. Horner noted that this equated to approximately forty-five million gallons per year. He suggested the Town may see an increase when it experienced rainfall. Mr. Jacquay noted that this was a new plant. He expressed his opinion that the meters were installed correctly; and, expressed an assumption that they were accurate. Mr. Jacquay expressed his opinion that the Town was getting good numbers from the plant.

Mr. Jacquay advised Council that the other issue was the account meters. Mr. Horner suggested that after looking at the production meters and trying to quantify any water lost through underground leaks, at the end of the day, he believed that a high percentage of the twenty-five million gallons of unaccounted for water was the result of meters that were not recording the flow correctly because they were old. He expressed his opinion that this happened all the time. Mr. Horner suggested that if the Town installed new meters on all of its accounts, the Town's revenue would go up significantly. He noted, however, that the customers would be "screaming" about their bills going up. Mr. Horner suggested the meters could not be recording properly due to several reasons, including meters that were old, meters that could be over-sized and not recording the low flow or when the meters were installed, the accounting system that was used put the decimal in the wrong place. He noted that it could also be related to meters that were installed improperly; however, he expressed his opinion that this was not the case here. Mr. Jacquay explained that residential meters were made to be installed as they were in Middleburg.

Mr. Horner expressed his opinion that if this was the problem, when the meters were replaced, this could help the Town to identify much of the twenty-five million gallons. He suggested, however, that it could result in huge problems given that the Town's utility rates were the second highest in the State. Mr. Horner noted that this was where his company came into the picture. He explained that Water Management, Inc. looked at the high consumption customers; and, offered them suggestions for reducing their usage in order to save money on their water bills. Mr. Horner advised Council that for thirty years, they have made money and built their business based upon the fact that little leaks added up; and, they could offer their customers savings. He recommended that if the Town fixed its meters, it also needed to have a program in place to take

care of the other side of the problem. Mr. Horner suggested that the customers could not get a new meter and have a huge bill. He reiterated that some could be huge, especially with the Town's high rates. Mr. Horner suggested the Town offer a grace period or some other scenario that would allow a "swat team" to be sent over to the customer to fix the problem. He expressed his opinion that customers would pay their bills if they were reasonable; however, he suggested they would not if the bills were "out of hand".

Mr. Horner advised Council that the American Water Works Association recommended a goal to get a utility's unaccounted for water down below ten percent. He noted the benefits of doing so; and, explained that water loss meant higher rates. Town Administrator Semmes advised Council that if the Town was able to bill for the actual gallons produced, it may be possible to reduce the rates. She noted that it was a balancing act.

Councilmember Snyder expressed his opinion that the Town would also have an easier time putting capital projects into the budget.

Councilmember Shea questioned what would account for the surges in the utility bills that occurred periodically. She explained that a customer's bill may be level, then they would receive a huge bill; and, then it would level off again. Ms. Shea noted that this happened all over town periodically. Mr. Horner noted that many customers frequently had situations where they flushed the toilet and had to jiggle the handle. He explained that they could lose a gallon of water per minute to such a leak. Councilmember Shea expressed her opinion that this would result in an increase in the bill. Mr. Horner confirmed it would not. He explained that if an individual left for work and did not jiggle the handle before doing so, the toilet could lose four or five gallons of water per minute from the leak. He reiterated that having the flappers periodically stick open, could result in a jump in consumption. Mr. Horner advised that toilets were notorious for increasing consumption. He noted that when there was a leak in a faucet, tub or shower, it was noticeable; however, it was difficult to identify a toilet leak because the water level never rose. Mr. Horner advised that at a gallon of water per minute, one leaking toilet would use 1,444 gallons of water in twenty-four hours. He noted that if the flapper stuck, the leak could increase to four gallons per minute. Mr. Horner expressed his opinion that most people did not understand this because when something electrical failed, their bill did not reflect consumption because the item would break in the off position; whereas, when a toilet broke, it almost always failed in the open position and would still work.

Mayor Davis reminded Council of a recent U-tube video related to a high water bill. She noted that the owner was experiencing a high water bill; and, had checked all possible sources for leaks. Ms. Davis further noted that when the owner was home sick one day, he discovered that his cat was flushing the toilet all day long and watching the water go down.

Mr. Horner expressed his opinion that the Town could have a scenario where it could reduce its unaccounted for water and provide unparalleled customer service. He suggested the Town's Utility Fund revenue could go up by reducing its water loss in half; and, expressed his opinion that the revenue could be "amazing". Mr. Horner advised that while this would reduce the Town's unaccounted for water, the customers would be hit with extra charges. He suggested the Town put a plan in place so customers would only be billed for they what used, without having their bills spike. Mr. Horner noted that he did not know where the spikes would occur; however, he suggested they may be able to figure them out. He expressed his opinion that it was easy to test a meter; and, noted that it was as simple as filling a five gallon bucket with water and checking the meter to see if it registered five gallons. Mr. Horner noted that no special equipment was needed for such a test.

Mr. Horner advised Council that they could develop a program that had not been done anywhere in the country. He noted that if his firm could do such a program in Middleburg, it could be done in other locations. Mr. Horner advised that it was exciting for them to consider Middleburg because it was in their own back yard. He expressed his opinion that the Town should explore a leak detection and meter replacement program, while bringing all of the other elements together. Mr. Horner suggested the Town look at all of its utility accounts; and, focus on the worst ones first. He expressed his opinion that one of the things that should be considered was the cost to the customer. Mr. Horner noted that what Water Management normally did was to help the customer save money on their water bill; and, if they did not do so, they would not get paid. He suggested that the Town try to do this in reverse. Mr. Horner further suggested the Town implement a scenario so they received a percentage of the saved revenue, with the amount being capped.

Mr. Horner suggested that any community that had high water rates was not billing enough. He expressed his opinion that it would not be that difficult to figure out the problem in Middleburg. Mr. Horner advised that his firm would love to have the opportunity to address it with the Town; and, noted that they could offer a cost proposal. He suggested his firm could take a percentage of the Town's excess revenues. Mr. Horner recommended they also implement a program to reduce consumption. He reiterated that the Town was missing twenty-five million gallons of water; and, suggested they could probably find fifteen million of it. Mr. Horner suggested that once the customers were billed for the fifteen million gallons, they would not be able to afford their bills; and, recommended the Town implement a conservation program that would reduce the fifteen thousand gallons down to seven. He noted that he has not determined who would pay for this; however, he expressed his opinion that it could be figured out.

Town Administrator Semmes expressed her opinion that the idea was to look at innovative ways, using a public/private partnership, to address this matter so the Town would not have to lay out cash for the improvements. She suggested that Water Management work up a proposal; and, expressed her opinion that it could be ground breaking. Ms. Semmes noted the need to address the customer side of the issue; and, to make sure they tightened up their system so they did not have issues such as leaking toilets. She advised that while she was not sure how it would work, Water Management would get some form of payment. Ms. Semmes noted that Water Management was continuing to look at the Town's system; and, was getting a feel for the problem. She suggested it was possible to get better numbers for the Council. Ms. Semmes advised Council that Water Management has worked on their own time to date; and, noted that they have spent a lot of time on the Town's system. She expressed her gratitude for what they have already learned. Ms. Semmes advised that they needed to know if the Council was interested in pursuing this matter further.

Councilmember Littleton advised that he would be interested if Water Management could show the Town and the customers that there would be a cost savings and that the Town would be required to produce less water. He expressed his opinion that if the proposal was to continue to charge a higher rate for more accurate billings that would result in additional revenues as the result of the additional five million gallons billed, the only person who would win would be Water Management. Mr. Littleton reiterated that if Water Management could reduce the Town's operating costs so significantly that it would allow for the costs to go down for the Town and its customers, then implementing the program would make sense. He advised that he could not see the Town charging the customers more just because it found they were using more water. Mr. Littleton noted that the Town knew what the costs were to operate the water and wastewater treatment plants. He suggested that billing for more water in order to increase revenues was not fair.

Councilmember Snyder suggested the Town needed to get to the point of effectively producing and billing for water.

Councilmember Littleton suggested that rather than charging ten dollars to do so inefficiently, the Town should provide the service efficiently and charge only eight dollars.

Councilmember Snyder noted that it may be possible. He suggested that if the Town was billing for all of the water used, it should be able to charge less for it. Mr. Snyder explained that in looking at any proposal, he would be looking at where the Town would achieve the cost savings.

Councilmember Shea noted the need to look at future cost savings as well. She reminded Council that if the Town continued to do what it was now doing, the situation would only get worse.

Councilmember Snyder reminded Council that the Town spent thirty years getting to this point because it ignored the system.

Councilmember Shea expressed her opinion that nothing would improve if the Council did not look at addressing the meters, etc. She advised that this was an expense the Town would have to incur. Ms. Shea suggested the Town also wanted to ultimately have an efficient charge for its resources; however, she noted the need to also look at conservation. She advised that she would like to see that, as well as maintenance issues, worked out in a proposal. Ms. Shea asked how long the meters would last if new ones were installed. She further asked the cost of maintaining an efficient system. Councilmember Snyder noted the need for a CIP budget.

Councilmember Shea recommended the Town look at each account individually if it replaced the meters. Councilmember Snyder agreed.

Mr. Horner expressed his opinion that given the current system, it was difficult for the Town to add new customers. He suggested the Town needed a new software package to address issues such as when the customers changed. Mr. Jacquay noted that there was a new software upgrade for the Town's billing system that had nice "bells and whistles". He suggested, however, that there was an issue of "what went in was what came out". Mr. Jacquay advised Council that Logics advised him that they were very aware of the issues that have arisen throughout the years; and, suggested they were due to the loss in translation from training one person to another. He expressed his opinion that the current system did a lot of things that the staff was not aware of or utilizing. Mr. Jacquay advised that there were issues as customers and meters changed; and, suggested this needed to be reviewed.

Town Administrator Semmes noted that she has been talking to Messrs. Horner and Jacquay about the differences in meter types. Mr. Jacquay noted that there was a single-jet technology available that did not care about issues such as mounting and strainers. He explained that this technology took the water and reduced it down to a nice flow. Mr. Jacquay cited the example of the meters at the new plant; and, noted that they were electronic meters that operated using this technology. He noted that such meters were expensive, which was one of the reasons a lot of municipalities did not use them. Mr. Jacquay advised Council that the American Water Works Association recommended that meters be replaced every ten years. Mr. Horner noted that the replacement schedule depended upon size. He recommended the Town look at the customers by type and use volume. Mr. Horner suggested that if the customer was a school or shopping center, the Town should know how much volume a typical school or shopping center should use. He advised that if they were using that volume, then the meter was okay.

Mr. Horner expressed an understanding that the customers did not want to pay more for their water. He advised that he was aware that a program could be set up that gave the appearance that Water Management was the only party making money. Mr. Horner suggested they look at the Town's existing revenues to see if they could be more efficient. He noted that the cost of

producing water was nothing compared to the charge; however, the Town charged what it did because of the twenty-five million gallon loss. Mr. Horner expressed his opinion that if they could shrink this loss, the math would work. He noted that he was not saying he had the answer. Mr. Horner advised that given the small scenario, Water Management could go house-to-house, not only checking the meter reading, but also the size and comparing it to what the American Water Works Association said it should be for the type of building and use.

Mayor Davis expressed her opinion that the Council was in agreement that it would like to discuss what Water Management thought it could do; however, she noted the need for specifics.

Mr. Horner advised Council that they have secured a device to record flow. Mr. Jacquay noted that there was not enough pipe at the production meter or he would have installed it already. He expressed his opinion that he would need to remove the meter, install a spool and attached the recording device to it. Mr. Jacquay reiterated that they had an ultrasonic flow meter that was similar to the one in the new plant; however, he needed a clean piece of pipe to strap it onto.

Mayor Davis recommended that Water Management work with the staff to develop their recommendations.

Mr. Horner expressed his opinion that this was important; and, advised that Middleburg was not the only utility with this issue. He suggested that people would have to look at it differently as there was no longer money available for programs. Mr. Horner expressed his opinion that the problem could be that his firm would make too much money depending on how they wrote the contract. He suggested that when they wrote the proposal, they would have to figure out a way to cap their revenue.

Town Administrator Semmes noted that the Town may also just decide to borrow money to replace the meters.

Councilmember Littleton noted that the Town knew its gross revenues. He suggested that if Water Management could show the Town that it could operate the system more efficiently, with the Town getting the same revenue, it should be able to make all the money it could. Mr. Littleton noted, however, that it did not want to do so on the backs of the Town's residents.

Mr. Horner advised that he would love to make extra money available in the Town's Utility Fund that residents could draw from. He suggested this could be a case study. Mr. Horner recommended the Town have a significant grace period during which it would not bill for the accurate water use if a customer got a new meter.

Mayor Davis expressed her opinion that the goal was to lower the utility rates. Mr. Horner suggested the goal should be to lower the rates, to lower non-revenue water usage and to improve the Town's bond rating. He expressed his opinion that this could be done. Mr. Horner noted that he wanted people to say "thank you" when they called.

Charlie Triplett, of Loudoun Water, advised Council that Water Management's numbers for the wastewater treatment plant were inaccurate; and, explained that he could control the output.

Discussion – Hydrant Flushing Program – Charlie Triplett

Mr. Triplett reported that he would start flushing the fire hydrants this week. He noted that signs have been put out alerting residents of the flushing on Tuesdays and Thursdays. Mr. Triplett explained that he selected those days as it would allow the system time to recover. He reported that he would begin the flushing in the downtown area; and, noted that where he would be each

night would depend upon how bad the lines were. Mr. Triplett advised that, once he finished the downtown area, he would go to the Ridgeview Subdivision as a resident has experienced dirty water several times over the past year. He reminded Council that whenever the hydrant by the Fire Department was opened, it created problems; therefore, he would open that one on the first night so he could clean it up. Mr. Triplett reported that once he finished flushing the entire system, he would go back to the areas that were the dirtiest and do them again. He reminded Council that Wells 3 and 2 produced iron and magnesium; and, explained that he tried to mix the system so the Town would not experience problems with dirty water.

Mayor Davis asked when the flushing would occur. Mr. Triplett confirmed it would start at 10:00 p.m.; and, would last until midnight or 1:00 a.m., depending on how dirty the hydrant was.

Councilmember Snyder asked how often the system should be flushed. Mr. Triplett noted that the State required it be done once a year; however, he recommended twice a year due to the condition of the system. He advised that he would not recommend flushing if the Town was experiencing a drought.

Councilmember Snyder noted that he would like to set up a program to flush the system twice a year. He agreed that allowances could be made for droughts; and, suggested that Mr. Triplett simply tell the Council when this occurred. Mr. Triplett noted that this would depend upon the rainfall. He reminded Council that the system contained old lines, some of which were installed in the 1930's. Councilmember Snyder expressed a desire to eventually replace those lines.

Mr. Triplett confirmed he could flush the system twice a year. He suggested the second flushing may be "iffy" due to drought conditions. Councilmember Snyder expressed an understanding; and, noted that he has been watching Middleburg's rainfall totals for a dozen years.

Mayor Davis asked whether the water was metered during the flushing. Mr. Triplett confirmed it was not; however, he advised that he gave the Town Administrator an estimate, which was basically based upon the increase of production at the wells. He noted that the water used in the flushing was listed separately in his report. Town Administrator Semmes noted that she also received an estimate of the water lost due to line breaks.

Mayor Davis asked whether the portable meter that was discussed was for the Fire Department. Mr. Triplett expressed his opinion that it would be nice if they kept accurate measures. He noted that he was trying to get to the point where they could use the hydrants on the Salamander property. Mayor Davis asked whether the Department had been asked to do so. Mr. Triplett confirmed he has not asked them to do so yet because the State had not approved that yet. He advised that once he received the CTO to operate that portion of the system, he would ask the Fire Department to draw water from that location. Town Administrator Semmes noted that she has spoken with Fire Chief Brower regarding this matter; and, he recommended the Town simply to tell the Fire Department which hydrant they wanted them to use.

Councilmember Snyder advised Council that he would like to meter the Fire Department's usage. He further advised that he would like to charge them for any non-emergency water use.

Councilmember Shea asked what would constitute a non-emergency. Vice Mayor Kirk expressed her opinion that washing the trucks was a non-emergency use of Town water. Councilmember Snyder confirmed it would be any non-fire related use of water.

Vice Mayor Kirk noted that the water pressure has been low in the Ridgeview area for the last few weeks. Mr. Triplett suggested it may be due to the old two-inch galvanized line. Vice

Mayor Kirk noted that she was not sure whether it was related to something the Fire Department may be doing or just the lines. Mr. Triplett confirmed he would check on it.

Discussion – Town Budget – FY '12

Town Administrator Semmes apologized to the Council that Davenport was unable to give a presentation during this meeting. She explained that the Town Treasurer was out sick; therefore, she could not get the information to Davenport that they needed. Ms. Semmes reported that, last week, she discovered that the financial report only contained two billings worth of water revenue; and, advised that this was good news because it meant that the Town had already billed more gallons than during this same period last year. She expressed her opinion that the Town would have more revenue in the Utility Fund; however, she noted that the question was how this would work. Ms. Semmes reminded Council that the Town was about to send out its third billing; and, suggested it would give the Town a good idea of how much revenue it would end up with and whether there was a need to increase rates further.

Town Administrator Semmes reported that she has received the information from Loudoun Water on the cost to operate the new treatment plants. She noted that the Town would have to pay more to operate the water treatment plant because it must buy chemicals and test at two plants. Ms. Semmes further noted that the Town would have two additional wells that must be tested. She advised that the chemicals for the wastewater treatment plant would cost less due to the new technology.

Mr. Triplett explained that while more chemicals were used at the wastewater treatment plant, it would only be operating at half capacity. He noted that the chemical cost would increase over the years as the operations increased. Mr. Triplett advised Council that as long as his test numbers were good and he could keep the phosphorous levels down, he would not have to add a lot of chemicals. He explained that for the first three months of the new plant's operation, he had to get it to conform to the State's regulations. Mr. Triplett noted that he could now adjust the chemical levels. He reported that the Town did not have to spend as much last year on sludge hauling; however, he noted that the cost would increase. Mr. Triplett explained that by operating one side of the system, the plant would have a surplus of solids. He noted, however, that this would also allow for reduced electric costs. Mr. Triplett advised Council that a change order had been requested. He reminded them that the plant's design allowed it to operate on only one set of membranes; and, noted that Loudoun Water was asked to run both sides.

Mr. Triplett reiterated that as to the production number for the wastewater treatment plant that was offered during the Water Management presentation, he could control that number. He noted the number could vary from sixty gallons per minute to one hundred eighty; and, advised that it was preset to one hundred twenty. Mr. Triplett advised that he could increase this number; however, he noted that it would affect the test numbers. He explained that he was trying to find a happy medium between pushing flows and keeping the numbers down.

Town Administrator Semmes expressed her opinion that there were some unquantifiable things that the Town would not be able to figure out until after the budget was adopted. She expressed hope that the plant would be below the limits mandated for nitrogen and phosphorous. Ms. Semmes reminded Council that the Town was limited to a certain number of pounds per year on its discharge; and, advised that it could sell the difference in the form of credits at a rate of \$4-8 per pound. Mr. Triplett explained that the credits could be sold once a year to a facility that did not meet its limits. He suggested that the sales occur yearly; and, explained that once the Town's system was operating at full capacity, it may need the credits.

Town Administrator Semmes expressed her opinion that these credits could provide \$16,000 in revenue. She noted that this was the same credit system as was used for air quality/emissions credits. Ms. Semmes explained that the staff needed to find out if there was someone in the area that needed credits that have not already bought them.

Town Administrator Semmes advised Council that she has given the information to Davenport that they needed. She expressed hope to have their report before April 28th; and, noted that she may be able to give the Council a draft Utility Budget by the regular meeting. Ms. Semmes explained that while Davenport originally panicked as they believed a twenty-five percent rate increase was needed, this was not the case. She reiterated that the revenues looked like they were better than originally thought. Ms. Semmes expressed hope that the Town could work on the unaccounted for water/loss within the next year.

Town Administrator Semmes advised that as to the General Fund, the revised budget was included in the work session agenda. She noted that the agenda also included a budget schedule – one of which was ambitious and one that was less ambitious. Ms. Semmes advised that she would like to meet the ambitious one, which would involve holding a public hearing on any utility rate increases that may be needed on June 9 and adopting the budget that same evening. She explained that she would be in the Grand Canyon on June 23; and, would like to be present when the Council adopted the budget.

Councilmember Snyder asked that the Utility Budget be sent electronically when the numbers were available.

Council Approval – Request to use Health Center Office – Middleburg Museum Committee

Councilmember Snyder asked whether the Town has received the cost figure associated with the museum. Town Administrator Semmes reported that the lost rent would total \$20,000. She noted that the only item that has been reflected in the budget was the \$9,000 in rent that would be paid from the Police Department Budget, with the revenue being reflected in the Health Center Budget.

Councilmember Snyder advised Council that he wanted to see the affect of the Museum Committee's request on the budget before he would be comfortable voting upon it. He noted that he would be nervous taking \$20,000 out of the budget.

Town Administrator Semmes reminded Council that the Health Center Fund was used for donations totaling \$32,500 last year. She suggested the Town would have a lot less money to give the non-profits if they approved the request. (Councilmember Snyder left the meeting at 9:12 a.m.)

Vice Mayor Kirk noted that she did not see it like that. She reminded Council that they were supposed to give away money every year. Ms. Kirk noted that she wanted to see if there was support for the Museum Committee's request. She reported that they had a lot of items that they were assembling; and, noted that they were getting items from the museum in Leesburg. Ms. Kirk asked that the Council let her know if there was no support for the Museum Committee's request.

Mayor Davis noted that it was not that she did not support the museum; however, she would love to see the space used by (medical) specialists. Councilmember Littleton agreed it should be used for medical purposes. Mayor Davis recommended a medical facility where specialists would come to Middleburg one day a week; and, expressed her opinion that the town could use such a service. She noted that this was done in Purcellville; and, suggested it was very convenient. Ms.

Davis reiterated that it would be nice to have that service here. She advised Council that she did want to find a location for the museum; and, noted that there was talk about putting it in the Pink Box. Ms. Davis suggested the Pink Box be used until the Town could get more money into its coffers. She reminded Council that the Town was still trying to be very lean with its budget. Ms. Davis suggested the Council consider the best way to spark an interest in the museum, while putting out as little money as possible.

Councilmember Shea reported that she had a lot of questions; and, suggested the Museum Committee was putting the “cart before the hores”. She noted that the Council had not received a proposal from the Committee on how they planned to organize or what they wanted. Ms. Shea reminded Council that they were talking about where to have a museum before they had a plan for it. She suggested it was too early to come through with that discussion. Ms. Shea advised that she was happy to say the Committee could use the Health Center space for an office until it was rented; however, she was not comfortable saying they could use the space and that the Town would fund it.

Vice Mayor Kirk noted that this was the kind of information she needed to know. She explained that the Committee did not want to solicit donations yet. Ms. Kirk reported that they were working on developing a plan; and, have divided into subcommittees to work on the different aspects. She explained that they did not want to ask for money for setting up a museum in the Pink Box, as they believed this would benefit the National Sporting Library, not the Town. Ms. Kirk noted the need to do work on this space before it could be used.

Councilmember Shea reiterated her concern that the Committee was putting the “cart before the horse”. She suggested that the physical location for the museum was a question that should not be addressed until the Council knew of the Committee’s plan for its organization, how it would interface with the Town, how much space was needed, what type of materials they would have; and, the cost of maintaining the museum.

Councilmember Littleton expressed his opinion that the Council should want the museum to be located in a space that people could access easily. He noted that he did not know how many people would walk down the steps (Health Center) versus walking into the Pink Box. Mr. Littleton expressed his opinion that the Pink Box was accessible; and, noted that the information center was already located there.

Councilmember Shea noted that she served as a docent at the Pink Box once a month. She expressed concern about using it for the museum due to the lack of space. Ms. Shea noted that there was a belief that the Museum Committee could put things upstairs; however, she suggested the need to explore the museum details before the Council could talk about either location. She expressed her opinion that the Council did not have enough information to make a decision.

Town Administrator Semmes noted that the Committee was working on the details. She agreed they needed to figure out what materials they would display, their space needs and their budget.

Mayor Davis asked whether the Committee had scoured the town for other possible locations; and, noted that there were a lot of empty buildings.

Councilmember Shea noted that the Community Center was looking for a way to use their basement. She suggested this may be a possible use. Economic Development Coordinator Pearson expressed her opinion that this space would not work due to the stairs.

Vice Mayor Kirk noted that she wanted feedback from the Council that she could share with the Committee.

Mayor Davis noted that the Council has said for years that it wanted a museum as it was important for the Town to share its history. She advised that the Council would love to see that happen. Ms. Davis expressed concern that given the existing budget constraints, it would be hard to do. She suggested there may be more information available that the Committee was not aware of; and, expressed her opinion that someone may be willing to donate space for the museum. Ms. Davis noted that, in the meantime, there was no reason the Committee could not be gathering items and/or soliciting funds. She reiterated that there was no reason they could not be doing some fundraising.

Town Administrator Semmes suggested the Committee did not have to take possession of the items yet; and, could just develop an inventory. Vice Mayor Kirk noted that the Committee was looking to see what was available.

Councilmember Shea suggested the Committee explore whether other museums would help with the storage of items as the Town prepared for its museum.

Mayor Davis stressed that the Council did not want the Committee to think they did not want the museum.

Review of April 14th Meeting Agenda

Mayor Davis noted that the only action item was the appointments to the Museum Committee. She advised that she did not know some of the proposed members; and, asked Vice Mayor Kirk to give the Council an idea of who was on the list.

Vice Mayor Kirk noted that the Council knew Eura Lewis. She advised that Veronica Bonfanti lived on Landmark School Road; and, was married to a judge. Ms. Kirk further advised that Ms. Bonfanti was very interested in helping, especially with the fundraising aspect. Councilmember Shea expressed her opinion that Ms. Bonfanti was very dynamic.

Vice Mayor Kirk advised Council that Christina Schinner, who was the daughter of Ms. Bonfanti, was someone who stabilized the whole group. She noted that she was very sensible, down to earth; and, was very helpful. Ms. Kirk expressed her opinion that Ms. Schinner was a great addition to the Committee. She noted that the Council was familiar with Mary Kay Garwood and Punkin Lee.

Town Administrator Semmes advised Council that there were other individuals who were helping, but who were not official committee members. Vice Mayor Kirk confirmed that Anne Lackman and Judy Reynolds were also helping. She noted that she would also have liked for Eddie Wright to be on the committee; however, he did not want to serve. Ms. Kirk advised that he has been a big help; and, had lots of pictures that he was sharing.

Mayor Davis asked whether Tyler Gore was helping by providing photographs. Vice Mayor Kirk confirmed he had volunteered to help. She noted that she had also talked to the Committee about getting people to sit down in order to record their stories.

Councilmember Shea reported that she had re-written the Council's goals; however, she could not bring them to the meeting. She advised Council that she would put copies in their mail boxes. Ms. Shea asked the members to let her know if they had any changes. Mayor Davis asked that the goals be e-mailed to the Council.

Vice Mayor Kirk reported that she has read the Police Department's General Orders. She advised that she only found one thing that needed to be changed; and, noted that she had discussed it with the Town Administrator. Ms. Kirk advised that she, Ms. Semmes and Councilmember Murdock planned to meet to try to get the documents in order; and, would bring them back to Council at some point. Town Administrator Semmes expressed a desire to get something to Council for their April 28th work session. Councilmember Shea asked whether the Town Attorney had reviewed the documents. Vice Mayor Kirk confirmed she had. She noted that Ms. Whiting owed her some items related to the Employee Handbook and another personnel item. Ms. Kirk reported that she did not find anything glaring when she reviewed the Handbook.

Town Administrator Semmes reported that she was receiving resumes for the Police Chief position; and, noted that she had received five to date.

Councilmember Littleton asked when the interviews would begin. Town Administrator Semmes suggested they be held once the Town received enough applications. Vice Mayor Kirk inquired as to the deadline for submissions. Town Administrator Semmes reported that there was no close out day; and, noted that the ads indicated that the position was open until filled. She advised that Chief Webber felt the Town would receive at least a dozen serious inquiries; and, noted that the ones received to date were serious.

Mayor Davis noted that the area's police officers were talking about the position before it was advertised. Town Administrator Semmes noted that the opening was tweeted by the Virginia Police Chief's Association.

There being no further business, a motion was made to adjourn the meeting at 9:27 a.m.

APPROVED:

Betsy A. Davis, MAYOR

ATTEST:

Rhonda S. North, MMC, Town Clerk