Public Hearing
June 8, 2009
6:30 p.m.

A Public Hearing of the Elkton Town Council was held to receive comments on the proposed adjustments to the Water and Sewer User Rates pursuant to Virginia Code Sections 15.2-2111 & 2119 during two or three phases with the first increase to be effective July 1, 2009. The public hearing was held at 6:00 p.m. on June 8, 2009 at Elkton Area Community Center located at 20593 Blue & gold Drive, Elkton, Virginia. Mayor Larry A. Bompiani presided. The following Council members were present:

PRESENT
M. Dearing
M. Isom
H. Armbruster
D. Kite
P. Workman
R. Snow

Town Manager Reid A. Wodicka, Town Attorney Lauri A. N. Sigler, Chief of Police James A. Morris, Treasurer Clairen Sipe, Public Works Director Timmy Turner, EACC Administrator Allison Morris, Recreation Director Diane Johnson and Clerk of Council Denise R. Monger were also present.

Mayor Bompiani called the meeting to order and the Clerk was asked to call the roll.

(A copy of the Notice is appended to the minutes and marked as "Appendix A".)

Frances Dovel, Elkton, spoke regarding the citizens, especially elderly, who could not afford a 60% increase in utility rates. She noted that the Town was the "laughing stock of the County." She noted the difficulties citizens had on fixed incomes would have if the increases were approved. She asked the Council to listen the outcries of the citizens because they are the ones that will have to live with the consequences of their actions. Mrs. Dovel stated that the Elkton Area United Services (EAUS) were already overextended with requests from citizens for assistance.

Mildred Shifflett, Elkton, spoke regarding Rockingham County only increasing their water and sewer rates by 5-10%. She noted that amount sounded reasonable but a 60% increase the Town was proposing was not. She questioned why the Town would mow a parcel of land owned by the Ruritan's Club and if the Town would be reimbursed for the expense. She noted wasteful spending for the Town to remove gravel at the Town Hall and replace the area with mulch. She noted that due to increased rates, local businesses were leaving the Town. She noted that three businesses were in the process of closing with more on the horizon. She questioned if the Council were trying to run the citizens out of Town also.

Hazel Crider, Elkwood, spoke regarding the new Town Council having stated that the Town would move forward on issues. She noted that process had not taken place. She noted that businesses were struggling especially with the meals tax increase. She noted that under current economic conditions all persons, young and elderly, were suffering. She questioned how young families would cope with a 60% increase in rates.

Mrs. Crider stated that the direction of the Town needed to be changed. She noted that a more inviting Town needed to be established. She encouraged Council to prepare a compromise with more flexibility and a lower proposed rate for the citizens if the rates had to be increased. She noted that citizens of all ages want to remain in the Town but could not afford to if the current direction of the Town continues. She asked Council to reconsider the proposed high rate of 60%.

Wayne Printz, Elkton, stated he had invested a lot of time and effort into to the Town as a long-term citizen and business owner for over twenty-five years. He stated that the Town used to be vibrant community with many cars and people about. He noted that the Town had become desolate and barely able to survive. He implored the Mayor and Council to assist the citizens and businesses with promotions or incentives. He offered his assistance with any items to help the Town.

Mr. Printz stated that if the proposed rate increases were compounded with last year's increase, the citizens would face an 80% rate increase. He noted that his own business's rates would increase 200%. He noted that the increase would cause him to close his business. He noted that other businesses would also close due to their inability to pay the increased fees. He questioned what the Town would gain under those circumstances. He noted that the residents and businesses of the Town were barely surviving due to the downturn of the economy.

Mr. Printz stated he had rebuilt the Elkton Car Wash beginning in 1984. He had spent hundreds of thousands of dollars investing in the Town and sponsored many activities. He noted that both of his businesses were currently losing money.

Mr. Printz stated that much speculation had been spoken about regarding DEQ and the Town's rates. He noted that he had spoken with officials who stated that DEQ did not determine rates. He noted that the Town had erred in its figures regarding the yearly cost of the $3.4 million loan for the wastewater treatment plant. He noted the cost would be $187,000 per year. He noted the proposed rate increases would generate three times that amount of revenue. He asked the Mayor and Council to reconsider the increase.

Marty Shifflett, Elkton, noted the importance of "stewardship." He noted that recently the proposed rate increase rose from 16% to 60%. He noted that a 16% increase would generate $100,000 and a 60% increase $380,000. He noted his preference for a line item budget and the detail the document provided. He noted that Council had stated that DEQ was mandating improvements. He noted that after he reviewed the Consent Order, the commitments made by the Town were dewatering, a sludge pump, and a UV disinfection system improvement. He noted that DEQ did not state that rates needed to be increased. He understood that improvements would cost the Town money and that the electrical system was dilapidated. He was of the opinion that it would not take $380,000 in one year to make those improvements.

He requested that Council review the matter again. He noted that Charlottesville and Albemarle County had received numerous grants towards their new wastewater treatment plant. He noted that Elkton was not eligible for grants because it was not addressing nutrient removal but capacity size. He noted that the Town's code required developers to pay for increases in infrastructure. He noted that the Town would not know the requirements for its nutrient levels until 2012 when the permit would be renewed.

Mr. Shifflett noted that the Town had budgeted $29,000 for professional services and spent $159,000 for that one line item. He noted 27 line items had no money allocated yet the Town had spent $57,000.00 in those categories. He noted that over 100 line items were overspent to a total of $1,609,378. He briefly discussed other budget issues.

Michael O'Neill, Elkton, questioned if water rate increases were part of the proposed rate increases. Mr. Wodicka stated that the percentage of a water rate increase was 10%. Mr. O'Neill questioned why items in the budget such as $72,000 in contract services and $95,000 in engineering services were separate and not included in the money the Town planned to borrow. He noted that a 60% increase in rates was outrageous. He

noted that the Community Center's deficit was $206,000. He noted that when Council increased the meals tax rate those funds were not to subsidize the center. He noted that people should pay for what you use. He noted that the sewer department had a deficit and those rates were going to increase. He noted a double standard since the Community Center also had a big deficit and their rates were not going to increase. He noted poor "stewardship." He noted that catering was taking place to people that were not citizens of Elkton. He encouraged Council to do a better job.

Richard McGregor, Elkton, rebutted the information in the newsletter that stated rates would increase 60%. He provided a slide presentation which showed that the various rates over past years and the current proposed rates. He noted that the proposed rates overall would increase 44.09% for 2,000 gals. He noted that 4,000 gal. capacity would increase 48.58%. He noted that he had not viewed any documentation from DEQ stating that the rates would need to increase. However, he noted that the improvements were needed at the wastewater treatment plant.

Cathy Murphy, Elkton, stated that logically her understanding that the Town was mandated to make improvements at the wastewater treatment plant. However, 60% was a large increase. She noted her typical use of 5,000 gal. per month at a cost of $32.00. She noted that with the proposed increases her bill could go up to $47.00. She questioned what "domino effect" this action would have on the Town. She noted that businesses would pass the increase to the consumer while senior citizens on fixed incomes would have to choose between medicine and groceries. She noted that all would feel the affect of the increase and suffer. She noted that the rates needed to be reasonable. She noted that the Town had not received, in writing, a guaranteed 0% loan. She noted that Council needed to assure the citizens that the funds borrowed would strictly be used for the wastewater treatment plant.

Mrs. Murphy stated that the Kite property had been vacant for almost six years. She noted that the property was an asset, but saw no progress being made in that area. She inquired if Council needed to submit a request for proposal to receive offers or a professional to sell the property. She noted that the property was not assisting the Town and should be sold or repaired in such a way as to generate revenue.

Mrs. Murphy encouraged the Council and all Town officials to aggressively approach legislatures on the state and federal level and inquire as to what funding assistance would be available to the Town.

Mayor Bompiani thanked everyone for their input. He noted that Council would take into consideration all matters discussed. He noted that the Town was trying to be aggressive in the areas discussed and good stewards.

As there was no additional business, the public hearing was closed.

Mayor: Larry A. Bompiani
Larry A. Bompiani

Recorder: Denise R. Monger
Denise R. Monger, Clerk

APPENDIX A

DAILY NEWS-RECORD

STATE OF VIRGINIA
CITY/COUNTY OF ROCKINGHAM

Subscribed and sworn to before me in the jurisdiction aforesaid this 29th day of May, 2009 by

Sharon L. Posey

Betty L. Hinkle

Betty L. Hinkle - Notary Public
My commision expires 6/30/10
Notary Registration Number: 167581

Certificate of Publication

TOWN OF ELKTON

THIS IS TO CERTIFY that the attached advertisement of:

06/08 PROPOSED ADJUSTMENT
WATER & SEWER USER RATES
PO#: 19624

appeared in the DAILY NEWS-RECORD on the following dates:

05/22/2009 05/29/2009

At 16.45 per inch, ~~line~~ Cost $904.7

DUPLICATE by Sharon L. Posey

NOTICE OF PUBLIC HEARING
TOWN COUNCIL FOR THE TOWN OF ELKTON
TUESDAY, JUNE 8, 2009 at 6:30 p.m.

A Public Hearing will be held in the Council Chambers at the Elkton Area Community Center, Stonewall District located at 20593 Blue & Gold Drive, Elkton, to receive comments on proposed adjustment to the Water and Sewer User Rates pursuant to Virginia Code Sections 15.2-2111 & 2119 during two or three phases with the first increase to be effective July 1, 2009.

ADJUSTMENT OF WATER & SEWER RATES

Proposed are two options for the adjustment of sewer rates.

	Residential		Business/Retail		Commercial/Industrial	
Effective Date	First 2000 gallons	Additional 1000 gallons	First 2000 gallons	Additional 1000 gallons	First 2000 gallons	Additional 1000 gallons
Current	12.60	3.25	12.60	3.50	12.60	4.00
July 1, 2009	15.00	4.00	15.00	4.25	15.00	4.75
Jan 1, 2010	18.00	5.00	18.00	5.25	18.00	5.75
July 1, 2010	20.00	6.00	18.00	6.25	20.00	6.75

Or

	Residential		Business/Retail		Commercial/Industrial	
Effective Date	First 2000 gallons	Additional 1000 gallons	First 2000 gallons	Additional 1000 gallons	First 2000 gallons	Additional 1000 gallons
Current	12.60	3.25	12.60	3.50	12.60	4.00
July 1, 2009	17.00	4.50	17.00	4.75	17.00	5.25
Jan 1, 2010	20.00	6.00	20.00	6.25	20.00	6.75

Water Rate Adjustments

	Residential		Business/Retail		Commercial/Industrial	
Effective Date	First 2000 gallons	Additional 1000 gallons	First 2000 gallons	Additional 1000 gallons	First 2000 gallons	Additional 1000 gallons
Current	7.70	2.50	7.70	2.50	7.70	2.50
July 1, 2009	8.50	2.75	8.50	2.75	8.50	2.75
Jan 1, 2010			*No change*			
July 1, 2010	9.25	3.00	9.25	3.00	9.25	3.00

Information regarding the proposed increases for the water and sewer rates and the complete text of the ordinance may be obtained in the Treasurer's Office at 173 West Spotswood Avenue, Elkton, Virginia from 8:00 a.m. – 5:00 p.m. M-F

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