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Service Authority

Alexander I. Vanegas, Chairman
Paul E. Ruecker, Vice Chairman
Janice R. Carr, Secretary-Treasurer
Joyce P. Eagles, Member
Dr. K. Jack Kooyoomjian, Member
David A. Rutherford, Member
L. Ben Thompson, Member
Eric A. Young, Member

Dean E. Dickey, General Manager
Leslie A. Griffith, Deputy General Manager/CFO

MINUTES OF BOARD OF DIRECTORS MEETING OF DECEMBER 13, 2012

Board Members Present: Janice R. Carr, Dr. K. Jack Kooyoomjian, Paul E. Ruecker,
David A. Rutherford, L. Ben Thompson, Alexander I. Vanegas, Eric A. Young

Absent: Joyce P. Eagles

Staff : Dean E. Dickey, Leslie A. Griffith, Lyle Beefelt, Astrid Nelson, Theresa O'Quinn,
Don Pannell, James Pflugshaupt, Keenan Howell, Evelyn Mahieu, Ph.D., Steve
Bennett, Karen Welch, J. C. Martorana, Ron Tatariw, and Cheryl Leiby

Legal Counsel : Mark Viani

Guests : Mr. Sanh Tra
Mr. Charles R. Weber
Mr. & Mrs. Richard Maynard and daughter Allison
Mrs. Ann Stampf, President of the Occoquan Forest Owners Association
Mr. William Stampf

1. GENERAL MATTERS

Chairman Vanegas called the meeting to order at 7:30 p.m.

a) Consideration of Approval of Minutes of November 8, 2012

Chairman Vanegas called for approval of the Minutes from the November 8, 2012 Board meeting.

Motion: Dr. Kooyoomjian moved to approve the Minutes of the November 8, 2012 Board meeting.
Second: Mr. Ruecker
Ayes : Kooyoomjian, Ruecker, Carr, Rutherford, Thompson, Vanegas
Abstention: Young
Absent : Eagles

b) Consideration of Announcements by Staff

Mr. Dickey welcomed Mr. Eric Young to the Board of Directors. Mr. Young represents the Gainesville District.

Mr. Dickey advised that Mrs. Eagles would not be able to attend the Board meeting. Mr. Dickey reminded everyone of the Holiday Luncheon on December 18, 2012 from 11:30 a.m. to 2:30 p.m. in the auxiliary building bays. Mr. Dickey congratulated Dr. Kooyoomjian on his upcoming retirement on January 3, 2013 after 39 years of federal service.

Mr. Dickey advised that at the Board Members' places was a replacement page for the City of Manassas contract. The footnote indicates the change to the effective date following any expansion of the Plant.

Mr. Dickey further advised that the Service Authority received a congratulatory letter from Supervisor May on the Service Authority receiving the Association of Metropolitan Water Agencies Platinum Award for Utility Excellence which was also at the Board Members' places. In addition, a copy of the Prince William Board of County Supervisors' resolution appointing Mr. Eric Young to the Service Authority Board of Directors was provided at the Board Members' places.

c) Citizens' Time

Mrs. Ann Stampf, President of the Occoquan Forest Owners Association, addressed the Board of Directors stating that the Occoquan Forest community supports the pump station and the force main. Mrs. Stampf further advised that the Occoquan Forest community supports a water line being installed with the force main, with no cost to the Occoquan Forest rate payers. Mrs. Stampf also stated that the Occoquan Forest property owners have a definite preference for passive recreation to take place on the 55+ acres that would be remaining once the existing water reclamation facility (plant) is no longer in operation. Mrs. Stampf thanked Mr. Charles Weber for his assistance regarding Occoquan Forest and wished him well in his retirement.

2. COMMENDATION

a) Mr. Sanh Tra

Chairman Vanegas presented a plaque to Mr. Tra commending him for his 36 years and 1 month of dedicated service to the customers of the Prince William County Service Authority.

Motion: Mr. Ruecker moved that the Prince William County Service Authority Board of Directors does hereby commend Mr. Sanh Tra for his professional and dedicated service to the customers of the Prince William County Service Authority and to the citizens of Prince William County, and conveys best wishes to him in the future.

Second: Mrs. Carr

Ayes : Ruecker, Carr, Kooyoomjian, Rutherford, Thompson, Vanegas, Young

Absent: Eagles

b) Mr. Charles R. Weber

Chairman Vanegas presented Mr. Weber with a plaque commemorating his 13 years and 11 months of dedicated service to the customers of the Prince William County Service Authority.

Motion: Mr. Ruecker moved that the Prince William County Service Authority Board of Directors does hereby commend Mr. Charles R. Weber for his professional and dedicated service to the customers of the Prince William County Service Authority and to the citizens of Prince William County, and conveys best wishes to him in the future.

Second: Mrs. Carr
Ayes : Ruecker, Carr, Kooyoomjian, Rutherford, Thompson, Vanegas, Young
Absent: Eagles

Mr. Weber thanked the Board of Directors for the confidence placed in him, and acknowledged the accomplishments of Messrs. Martorana, Tatariw and Bennett, and the Engineering staff, expressing his pride in their accomplishments. Mr. Weber also thanked Mr. Dickey, Ms. Griffith and Mr. Beefelt for their support over the years relative to the Service Authority's Capital Improvements Program (CIP).

3. ACTION MATTERS

a) Naming the Planned Laboratory Building at the H. L. Mooney Advanced Water Reclamation Facility

Chairman Vanegas called Mrs. Kim Maynard, her husband Richard, and daughter Allison forward. Mr. Dickey read the proposed resolution for Board of Directors approval to name the planned laboratory building at the H. L. Mooney Advanced Water Reclamation Facility to honor Mr. Durward Grubbs.

Motion: Mr. Rutherford moved that the Prince William County Service Authority Board of Directors does hereby commemorate Mr. Grubbs' long, distinguished career and significant contributions to the Service Authority and the citizens of Prince William County, and in recognition of his honorable and faithful service, the Prince William County Service Authority Board of Directors does hereby name the planned laboratory building at the H. L. Mooney Advanced Water Reclamation Facility the *Durward E. Grubbs, Jr. Environmental Center*.

Second: Mrs. Carr
Ayes : Rutherford, Carr, Kooyoomjian, Ruecker, Thompson, Vanegas, Young
Absent: Eagles

b) Approval of Master Plan Utility Adjustment for the Neabsco Common Development Project

Mr. Dickey requested Board of Directors' approval of this Master Plan Utility Adjustment. Mr. Martorana advised that this project gives the Service Authority an opportunity to construct a portion of the Montclair water transmission main which will increase the water supply to the Montclair area. Staff is working with the developer to increase pipe sizes in his development from 8 and 12 inches to 24 inches and install an additional 431 linear feet of 24-inch water main as a full betterment to the Service Authority in order to reach the acquired easement for the I-95 crossing. The Service Authority will reimburse the developer for the difference between the size of pipe required for his development and the 24-inch pipe that the Service Authority would need for the water transmission main. The transmission main will be installed under I-95 and will continue into Montclair as other development takes place in the vicinity.

Motion: Mr. Ruecker moved that the Prince William County Service Authority Board of Directors does hereby authorize the General Manager to execute the Agreement for Prince William County Service Authority to reimburse Uniwest Construction Incorporated for the betterment differential cost to upsize 275 linear feet of 8-inch and 1,087 linear feet of 12-inch water main to 24-inch, and the full cost to install 431 linear feet of 24-inch water main for the estimated amount of \$240,570, plus a 5 percent contingency, for a total authorization not to exceed \$252,600. Payment is to be made to Uniwest Construction Incorporated upon satisfactory completion, inspection, and testing of the 24-inch water main.

Second: Mr. Rutherford

A brief discussion was held concerning the nearby Virginia American Water Company's service

area, the importance of this project relative to improving system reliability and providing additional water to the Dumfries/Triangle area, and the cost of upsizing the lines during development versus the cost of installing the lines at a later date.

Ayes : Ruecker, Rutherford, Carr, Kooyoomjian, Thompson, Vanegas, Young
Absent: Eagles

c) Issuance of Task Order for Design of the Occoquan Forest Force Main, Water Main and Pumping Station

Mr. Dickey advised that the options to meet requirements for the 2015 permit expiration of the Occoquan Forest Water Reclamation Facility have been of interest to people along the Davis Ford corridor and in the Occoquan Forest community. Mr. Dickey further advised the two options are:

1. Build a force main and pump station, and decommission the existing water reclamation plant, as outlined in the proposed resolution; or
2. Upgrade the plant to meet future permit limits.

Mr. Dickey stated that although this resolution approves the design of the water line, the final decision on whether or not it would be constructed would be made at a later date dependent on funding.

Mr. Dickey reiterated that this request is to seek approval to design the pumping station, the force main and the water line, and also to decommission the existing water reclamation plant. Staff has negotiated the design contract and has found the price to be fair and equitable. Mr. Dickey added that if the Board of Directors approved the proposed resolution, the Board would be making the decision to decommission the water reclamation plant.

Motion: Dr. Kooyoomjian moved that the Prince William County Service Authority Board of Directors has decided to design and construct the Occoquan Forest force main and pumping station, and decommission the Occoquan Forest Water Reclamation Plant and not seek renewal of the operating permit, and does hereby authorize the General Manager to execute the survey and design task order to Whitman, Requardt & Associates to design the Occoquan Forest Force Main, Water Main and Pumping Station for an estimated maximum fee of \$508,090, plus a ten percent contingency, for a total authorization not to exceed \$558,900.

Second: Mr. Ruecker

Dr. Kooyoomjian commended the Board of Directors and Service Authority staff for their sensitivity to the entire community concerning this matter. He also expressed his appreciation for holding the June 28, 2012 public information meeting, and the openness of all who participated in Occoquan District Supervisor Michael May's three town hall meetings on the subject. Dr. Kooyoomjian further stated that the Service Authority gave everyone an opportunity to speak and complimented the General Manager who took personal responsibility to see that the questions were answered correctly and properly vetted. Dr. Kooyoomjian thanked staff for taking the time and diligence to answer all the questions raised by the community, for compiling the Questions and Answers into 3-ring binders and then making the information available to the citizens by placing copies at the public libraries, providing a copy to Supervisor May, and also by putting the information on the Service Authority's website.

Mr. Rutherford inquired about the process used in order to arrive at the engineering contract. A discussion was held.

Ayes : Kooyoomjian, Ruecker, Carr, Rutherford, Thompson, Vanegas, Young
Absent: Eagles

d) Service Authority Deposit and Collection Policy

Mr. Dickey advised that at the last meeting, staff discussed some of the challenges the Service Authority is facing with the new lien law that the Virginia legislature passed this year. The Board of Directors directed staff to return with a policy for Board approval. This Standard Operating Procedure (SOP) provided to the Board of Directors captures what the Service Authority is currently doing relative to the new lien law. Staff has worked with our customers to make the process more customer friendly, and still comply with the new lien law in order to maintain the Service Authority's lien rights.

Mrs. Nelson briefed the Board of Directors on the Service Authority's Deposit and Collection Policy.

Motion: Mr. Ruecker moved that the Prince William County Service Authority Board of Directors does hereby approve the Service Authority Deposit and Collection Policy as presented. (See attachment)
Second: Mrs. Carr
Ayes : Ruecker, Carr, Kooyoomjian, Rutherford, Thompson, Vanegas, Young
Absent: Eagles

e) Approval of Amendment to Modification and Assumption Agreement between Prince William County Service Authority and Prince William Board of County Supervisors (BOCS)

Mr. Dickey advised that the BOCS approved the agreement at their meeting on Tuesday, December 11, 2012. (The Prince William Board of County Supervisors' resolution approving this agreement was provided to the Board Members after the closed meeting.) Mr. Dickey requested that the Board of Directors also approve the agreement.

Motion: Mr. Thompson moved that the Prince William County Service Authority Board of Directors does hereby authorize the Chairman to execute the Amendment to Modification and Assumption Agreement between Prince William County Service Authority and Prince William Board of County Supervisors.

Second: Dr. Kooyoomjian

A discussion was held.

Ayes : Thompson, Kooyoomjian, Carr, Ruecker, Rutherford, Vanegas, Young
Absent: Eagles

Mr. Dickey asked that the closed meeting portion of the agenda be moved so as to discuss a contractual matter at this time.

4. CLOSED MEETING

Chairman Vanegas announced a closed meeting at 8:14 p.m. citing Code of Virginia §2.2-3711A7 to discuss items pertaining to litigation and contractual matters.

Motion: Mr. Ruecker moved to enter a closed meeting to discuss potential litigation and contractual matters, citing Code of Virginia §2.2-3711A7.
Second: Mr. Thompson
Ayes : Ruecker, Thompson, Carr, Kooyoomjian, Rutherford, Vanegas, Young
Absent: Eagles

Upon conclusion of the closed meeting at 8:35 p.m. and in compliance with the Freedom of Information Act, a motion was made by Mr. Ruecker and seconded by Mrs. Carr to return to an open meeting

certifying that to the best of each member's knowledge, the only matters considered were those that were appropriate to be discussed under Code of Virginia §2.2-3711A7 (potential litigation and contractual matters).

CERTIFICATION FOR CLOSED MEETING

WHEREAS, the Prince William County Service Authority Board of Directors has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and,

WHEREAS, §2.2-3712 of the Code of Virginia requires a certification by the Prince William County Service Authority Board of Directors that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED that the Prince William County Service Authority Board of Directors hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered in the closed meeting.

Motion: Mr. Ruecker
Second: Mrs. Carr
Ayes : Ruecker, Carr, Kooyoomjian, Rutherford, Thompson, Vanegas, Young
Absent: Eagles

Upon reconvening an open meeting, the Board of Directors voted on the following matter.

Approval of Water Capacity and Service Agreement between Prince William County Service Authority and City of Manassas and Settlement Agreement and Mutual Release

Motion: Mr. Rutherford moved that the Prince William County Service Authority Board of Directors does hereby approve the new Water Capacity and Service Agreement and the Settlement Agreement and Mutual Release, both to be executed contemporaneously.
Second: Mr. Ruecker
Ayes : Rutherford, Ruecker, Carr, Kooyoomjian, Thompson, Vanegas, Young
Absent: Eagles

5. GENERAL MANAGER'S REPORT

a) Fortuna—Mr. Dickey reported that the Service Authority received a request from the developer of the Fortuna project who is being charged an availability fee for a higher amount than he was quoted prior to September 1, 2012. (Availability fee rates increased September 1, 2012 as advertised.) The developer requested that his availability fees be based on the previous year's rate. Since this matter is not within the purview of the General Manager, Mr. Dickey brought it before the Board of Directors.

After a lengthy discussion, Chairman Vanegas polled the Board Members. The consensus of the Board of Directors was that the Board of Directors would continue with the current approved fees and effective date of those fees rather than grant individual exemptions.

b) Groundbreaking ceremony for the new laboratory building—Mr. Dickey discussed holding a groundbreaking ceremony with the Board of Directors. It was agreed the groundbreaking ceremony would take place after the first of the year.

c) January 2013 Board Meeting—Mr. Dickey suggested forgoing the January Board Meeting (since the Board of Directors held a meeting in December) unless there are urgent issues. Chairman Vanegas polled the Board Members and there were no objections to forgoing a January Board Meeting.

6. ATTORNEY'S TIME

Mr. Viani welcomed Mr. Young. Mr. Viani thanked the Board of Directors for all their support during the contract negotiations and the leadership of Mr. Dickey and Ms. Griffith. Mr. Viani wished everyone a great holiday season.

7. CONSIDERATION OF MATTERS PRESENTED BY MEMBERS

Mr. Rutherford noted that the agreement with the City of Manassas is a testament to the degree of professionalism that has come to the Service Authority over the years. Mr. Rutherford stated that the Service Authority has evolved into an award-winning, nationally recognized operation, and he stated that he is glad to be part of it. Mr. Rutherford further stated that he is extremely proud of the Service Authority staff and the work they do. Mr. Rutherford wished everyone a Merry Christmas.

Mr. Thompson congratulated and commended the chief negotiator and the negotiations group on the resultant agreement with the City of Manassas, stating they did a splendid job.

Mr. Ruecker congratulated and commended staff on the City of Manassas Agreement. Mr. Ruecker noted that Ms. Susan Roltsch recently made it a point to tell him how impressed she was with the Service Authority staff. Mr. Ruecker wished Merry Christmas and Happy New Year to all.

Mrs. Carr also wished Merry Christmas and Happy Holidays to all. Mrs. Carr advised that she had the pleasure of going to the schools with Mrs. Amy Brush recently. Mrs. Carr was very complimentary of Mrs. Brush. Mrs. Carr welcomed Mr. Young to the Board of Directors.

Mr. Young stated he is honored to be among people he respects and admires, and he looks forward to working with everyone.

Dr. Kooyoomjian stated that receiving the Association of Metropolitan Water Agencies Platinum Award for Utility Excellence and the finalization of the agreement with the City of Manassas are a credit to staff and the leadership. Dr. Kooyoomjian thanked the staff for their professionalism, diligence and sensitivity in handling the Occoquan Forest matter. Dr. Kooyoomjian noted that the Board of Directors dedicating the planned laboratory building to Mr. Grubbs conveys a great deal about the service he provided. Dr. Kooyoomjian wished everyone the season's best and a happy and healthy New Year.

Mr. Ruecker inquired as to when the next design meeting for the laboratory educational center would be held. Ms. Griffith responded that staff had a very productive meeting last week at which many ideas were provided. The designer is hoping to have a document ready before Christmas. Once the document is ready, a meeting will be scheduled with the Committee.

Chairman Vanegas congratulated Dr. Kooyoomjian on his upcoming retirement from the federal government and thanked him for his service.

Chairman Vanegas stated it is an honor to be part of this high performing organization. Chairman Vanegas thanked staff for their hard work to include closing out all the critical issues before the end of the year.

Chairman Vanegas welcomed Mr. Young to the Service Authority Board of Directors.

Chairman Vanegas advised that there is one last item to take care of. The last time the Board of Directors approved pay for performance, (September 2012) the language did not include the General Manager. Chairman Vanegas apologized that the General Manager was not part of that pay for performance payment. Chairman Vanegas called for a motion to include the General Manager in the pay for performance which was 2% of salary, not added to the base pay. The other Board Members concurred.

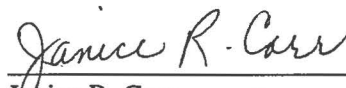
Motion: Mr. Rutherford moved that the Prince William County Service Authority Board of Directors does hereby approve to include the General Manager in the performance payment which was 2% of the (employee's) salary, and not added to the base pay.
Second: Mrs. Carr
Ayes : Rutherford, Carr, Kooyoomjian, Ruecker, Thompson, Vanegas, Young
Absent: Eagles

8. ADMINISTRATIVE REPORTS

Chairman Vanegas asked that the Board Members provide any questions or comments on the Administrative Reports to Mr. Dickey for routing to the appropriate staff members.

9. ADJOURNMENT

Motion: Mr. Ruecker moved to adjourn the meeting at 9:25 p.m.
Second: Mrs. Carr



Janice R. Carr
Secretary-Treasurer

SERVICE AUTHORITY COLLECTION POLICY

WHEREAS, recent changes to the Code of Virginia have required revisions to the Authority's existing collection practices; and

WHEREAS, staff has revised the Authority's collection practices;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors does hereby approve the following Collection Policy:

1.0 Guiding Principles

- 1.1 The Authority shall follow all applicable State and Federal Collection laws.
- 1.2 The Authority shall comply with its Master Indenture of Trust which states "The Authority will take all appropriate steps to enforce collection of any overdue charges by any remedy available at law or in equity".
- 1.3 The Authority shall weigh the costs and benefits of all collection procedures.
- 1.4 The Authority shall apply its collection procedures consistently.
- 1.5 The Authority shall treat all customers respectfully.

2.0 Collection Methods

- 2.1 The Authority shall use the following collection methods:

A. Disconnect Service: Accounts with past due balances greater than \$50.00 are subject to disconnection 32 days from the due date (56 days from the invoice date). The Authority shall provide at least two notices prior to service disconnect. Pay extensions or arrangements are at the discretion of the Authority based on existing standard operating procedures and the customer's account history. The full past due amount must be paid before service restoration occurs. Service shall be promptly restored when paid or payment arrangements are agreed upon.

B. Denial of Service: The Authority shall refuse service requests to applicants who have any unpaid balances with the Authority to include outstanding liens or other unpaid balances. Service shall also be denied to applicants in which there is

an outstanding lien against the address they are requesting service. Service shall be promptly restored when unpaid balances are satisfied.

C. Collect Security Deposits for Residential Tenant Accounts: Effective July 1, 2012, Code of Virginia §15.2-2119 requires the Authority to obtain both a deposit equal to 3-5 months of service and an Owner Authorization Form (OAF) in order to retain the Authority's lien rights. The Authority's deposit is based on 3 months of service and shall be reviewed with each rate study. The Authority shall provide a tenant at least 15 days to pay the deposit and turn in the Owner Authorization Form. Service shall be eligible for disconnection at 21 days for non receipt of either the Deposit or the OAF. Tenants and Owners will receive written notification of the deposit and OAF requirements when an account is opened. Tenants shall also receive a bill stating the due date of the deposit and the OAF and a notice that failure to provide both will result in service interruption.

D. Lien: The Authority shall follow VA State Code §15.2-2119 lien requirements and lien properties for unpaid owner and tenant accounts that are greater than \$25.00. Liens shall be promptly released once payment is satisfied.

E. Send Accounts to a Collection Agency: The Authority shall send to a collection agency all delinquent closed accounts that are greater than \$25.00 and not eligible to lien in accordance with Standard Operating Procedures for Collection Agency Processing.

3.0 Procedure and Policy Changes

3.1 The Director of Finance shall maintain and approve changes to the Authority's Standard Operating Procedures for Collections. The General Manager shall approve revisions to the Authority's Collection Policy.

Motion: Ruecker
Second: Carr
Ayes : Ruecker, Carr, Kooyoomjian, Rutherford, Thompson, Vanegas, Young
Absent: Eagles