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

Service Authority

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

MINUTES OF BOARD OF DIRECTORS MEETING OF FEBRUARY 9, 2012

Board Members Present: Janice R. Carr, Joyce P. Eagles, Durward E. Grubbs, Dr. K. Jack Kooyoomjian, Paul E. Ruecker, David A. Rutherford, L. Ben Thompson and Alexander I. Vanegas

Staff : Dean E. Dickey, Leslie A. Griffith, Lyle Beefelt, Astrid Nelson, Theresa O'Quinn, Don Pannell, James Pflugshaupt, Chuck Weber, Dr. Evelyn Mahieu, Steve Clark, Joe Carney, Steve Bennett and Cheryl Leiby

Legal Counsel : Mark Viani

Guests : William J. Becker
Jay duVon, Walsh, Colucci, Lubeley, Emrich and Walsh, P.C.
John Keegan, Gilbane Development Co., Inc.
Ron Carmichael, George Mason University
Erik Backus, George Mason University (Planning)
Bill Vest, Timmons Group
Steve Hostetler, Timmons Group
Ms. Beverly Anne Bagley-Cardelli

1. WATER ART INVITATIONAL

The Water Art Invitational was held in the lobby of the Spittle Building prior to the Board Meeting. The winners were announced and those present came forward to receive their certificates.

2. GENERAL MATTERS

Chairman Vanegas asked Mr. Rutherford to introduce the new Board Member, Mr. L. Ben Thompson. Mr. Rutherford suggested that if a tour is provided for Mr. Thompson of the various Service Authority facilities, it might be beneficial for the other Board Members to attend as well. Mr. Dickey advised that once a tour date has been established, all Board Members will be notified.

Mr. Thompson advised he is happy to be on the Service Authority Board of Directors.

a) Consideration of Approval of Minutes of January 12, 2012

Chairman Vanegas called for approval of the Minutes of the January 12, 2012 Board meeting.

Motion: Dr. Kooyoomjian moved to approve the Minutes of the January 12, 2012 Board meeting.
Second: Mr. Ruecker
Ayes : Kooyoomjian, Ruecker, Carr, Eagles, Grubbs, Rutherford, Thompson, Vanegas

b) Consideration of Announcements by Staff

Mr. Dickey congratulated Mr. L. Ben Thompson on his appointment to the Service Authority Board of Directors and welcomed Mr. Thompson as the Service Authority's new Board Member.

Mr. Dickey congratulated Mrs. Carr and Messrs. Vanegas and Ruecker on their appointments to the Board of Directors. Mr. Dickey advised that in addition to the Prince William Board of County Supervisors' resolutions at the Board Members' places regarding their appointments, there is also a chart depicting the expiration dates of the Board Members' terms.

Mr. Dickey noted that for information there are several news articles at the Board Members' places.

Mr. Dickey advised that the next Design Committee meeting is scheduled for Tuesday, March 6th in the General Manager's Conference Room at the Spittle Building.

Mr. Dickey wished Mr. Rutherford happy birthday for February 26, 2012.

c) Citizen's Time

Chairman Vanegas called Ms. Beverly Anne Bagley-Cardelli of 18316 Possum Point Road, Dumfries, Virginia 22026 to the podium to address the Board of Directors. Ms. Bagley-Cardelli stated she is representing her mother who resides at the same address. Ms. Bagley-Cardelli asked the Board of Directors to consider a one-time exceptional gift to get a permit to hook onto the public sewer or a payment option. She stated that the Health Department's representative, Marcus Haynes, has found a leak in the septic system serving the property at 18315 Possum Point Road. She also stated that this system drains into the body of water known as the Quantico Bay and, this is a criminal offense according to the state. Ms. Bagley-Cardelli advised she wants to comply with the Department of Health and has already had the septic tank pumped out per Marcus Haynes' request, but she cannot stop discharging as Mr. Haynes also requested. Ms. Bagley-Cardelli further advised that she found a contractor that will take a down payment for his work to connect the property so it is in compliance, and that she only needs a gift for the availability fee or a payment option. Ms. Bagley-Cardelli reiterated there must be a way to grant a one-time gift or exception in order to connect the aforementioned property to the public sewer. Ms. Bagley-Cardelli thanked the Board of Directors for their time and any exception that could possibly be made so that the property at 18316 Possum Point Road could be connected to the public sewer and thus be in compliance with the Department of Health's requirements.

Chairman Vanegas advised that a written formal response would be provided.

There were no other citizens who wished to speak.

3. COMMENDATION

a) Design/Build Award

Mr. Dickey advised that the Design/Build Institute of America recognizes those organizations that have completed outstanding design/build projects. Mr. Dickey advised that the Design Build Institute of America at its national conference awarded the 2011 National Design Build Award to the H. L. Mooney Advanced Water Reclamation Facility Design/Build project. This prestigious award went to the Design/Build team of Pizzagalli Construction Company, CDM and the Service Authority. Mr. Weber accepted

the award from Chairman Vanegas.

b) Mr. William J. Becker

Chairman Vanegas presented Mr. Becker with a plaque commemorating his years of service on the Prince William County Service Authority Board of Directors. The Board of Directors passed a resolution commending Mr. Becker for his thirteen and one-half years of service. Mr. Becker was given a standing ovation.

Motion: Mrs. Eagles moved that the Prince William County Service Authority Board of Directors does hereby recognize Mr. William J. Becker for his outstanding service to the customers of the Prince William County Service Authority and the citizens of Prince William County for the past thirteen and one-half years and conveys best wishes for the future.

Second: Mr. Grubbs

Vote : By Acclamation

4. PRESENTATIONS

a) George Mason University (GMU) Student Housing

Mr. Jay duVon of Walsh, Colucci, Lubeley, Emrich and Walsh, P.C. gave a presentation on George Mason University's, Prince William Campus Student Housing to the Board of Directors on behalf of Gilbane Development Co., Inc. (Gilbane). Mr. duVon introduced all those present: Mr. John Keegan, Gilbane Development Co., Inc.; Mr. Ron Carmichael, George Mason University; Mr. Erik Backus, George Mason University (Planning); Mr. Bill Vest and Mr. Steve Hostetler of the Timmons Group.

Mr. duVon advised that Gilbane Development Co., Inc. is appealing the availability fees quoted for the student housing at George Mason University's Prince William Campus. Mr. duVon provided the results of studies conducted on other state university student housing facilities. Mr. duVon further advised that in the original submission dated November 30, 2011, it was pointed out that the multi-family classification at which GMU's proposed student housing is assessed overstates the monthly usage by about 400% of the estimated monthly usage of other similar college facilities in the state. The Timmons Group surveyed nine other student housing identical apartments in the state, including GMU in Fairfax, and concluded that the estimated consumption (average peak monthly usage) is 75.2 gpd versus the assumed consumption of 320 gpd in the multi-family classification. Mr. duVon displayed a chart showing the disparity in the projected water usage. Mr. duVon advised that in the December 7, 2011 submission, at the rate schedule hearing, it was suggested to add a sentence stating that student housing units owned by any state institution of higher learning be considered commercial use for availability fee purposes.

Mr. duVon advised that the January 31, 2012 submission included information on the nine other university facilities within the state which were surveyed. From analyzing the information obtained, Gilbane Development Co., Inc. representatives determined that the Service Authority's availability fee was 14 times higher than those of other jurisdictions. Mr. duVon showed a chart depicting availability fees in other jurisdictions where there are university student housing facilities.

Mr. duVon stated that the Prince William Campus is not a duplicate of the Fairfax Campus. This is a technical, medical science school for research assistants, a joint initiative with Georgetown Medical School. These housing units are for graduate students and could also be offered to graduate research assistants who monitor wet labs which need to be checked 24/7, thus requiring the research assistants to live on campus. In comparing the student housing units to market rate units (that is the way they are being classified), the majority of these units, 62 units of the 112 are studio units (400 square feet).

Mr. duVon stated that one bedroom market rate units range in size from 70% to 100% larger than the 400 square foot unit. The two bedroom apartments are larger, but not market rate size which is significantly

larger. Mr. duVon emphasized that the student housing apartments are not normal market rate apartments in size, intended use or ownership. Mr. duVon stated that Gilbane Development Co., Inc. representatives would like their graduate student housing project to be considered under the 2011 commercial availability fee schedule. Gilbane representatives applied for the availability fees under the 2011 commercial availability fee schedule and paid the availability fees for the commercial portion of the project in 2011. (Service Authority Notes: 1. The commercial availability fees paid by Gilbane did not include the student housing portion of the project since the Service Authority did not classify the student housing as commercial. 2. The Service Authority sent separate invoices, one invoice for the commercial portion, and a separate invoice for the student housing portion of the project.)

Mr. duVon further advised that their appeal was filed under the 2011 commercial availability fee schedule, and they would like to be considered under the 2011 commercial availability fee schedule. They think if the Service Authority were to treat this as commercial use under the 2011 commercial availability fee schedule, as is being requested, it should not be creating a precedent because the Service Authority is now under a new system. Mr. duVon also suggested that another option would be to create a specific category under the 2012 availability fee schedule for student housing, or perhaps doing what Loudoun Water has done and create a definition section in its manual which states dormitories and student housing are considered commercial use. Mr. duVon reiterated, there are two ways to do it, one is by definition and the other is to create a separate category.

Mr. duVon also pointed out that Gilbane Development Co., Inc. representatives have continuously maintained that this building can be served with one two-inch meter and that is what they originally applied for, having a sub-meter for the commercial portion and a sub-meter for the residential portion. In conclusion, they believe they have submitted ample and detailed information that the water usage of these proposed units when you look at any other similar student apartments with a washer, dryer, dishwasher, etc. and do a comparison, it does not justify the multi-family class. The proposed availability fees are very high compared to other jurisdictions. These units do not look like market rate units and these units are not marketable units in the market place. Mr. duVon thanked the Board of Directors and staff for their attention to this matter.

Chairman Vanegas thanked Mr. duVon for the presentation and advised that a formal response would be provided.

5. ACTION MATTERS

- a) Award of Contract for Rehabilitation of the Fluidized Bed Incinerator Shell at the H. L. Mooney Advanced Water Reclamation Facility (AWRF)

Mr. Dickey asked the Board of Directors to approve a contract for the rehabilitation of the Fluidized Bed Incinerator (FBI) shell at the H. L. Mooney AWRF. Mr. Weber advised that Hankin Environmental Systems, Inc. (Hankin), the manufacturer of the original Fluidized Bed Incinerator, has the original plans and did a good job on the side cladding previously. Mr. Weber explained how the required work would be accomplished. Because the work is very specialized, requiring knowledge of our existing incinerator, and must be accomplished on a tight schedule, and since Hankin was the original manufacturer and installer, staff recommends that Hankin is the best vendor to do this specialized work, and that the sole source classification is justified. Staff has also determined the price to be competitive and is recommending that the Board of Directors authorize the General Manager to execute an agreement with Hankin Environmental Systems, Inc. for the cladding and painting of the Fluidized Bed Incinerator at the H. L. Mooney AWRF in the amount of \$209,200 for the project, plus a contingency of 10%, for a total authorization not to exceed \$230,120.

Motion: Mrs. Eagles moved that the Prince William County Service Authority Board of Directors does hereby authorize the General Manager to execute an agreement with Hankin Environmental Systems, Inc. for the cladding and painting of the Fluidized Bed Incinerator at the H. L. Mooney Advanced Water Reclamation Facility in the amount of \$209,200, plus an approximate 10 percent contingency, for a total authorization not to exceed \$230,120.

Second: Mrs. Carr

A discussion was held on the one-year warranty, annual maintenance, the extreme high temperatures needed to incinerate the sludge, existing and projected future corrosion, the length of time the FBI is in operation, the age of the FBI and its life expectancy, expectations for future use, and the estimated cost of a new Fluidized Bed Incinerator.

Ayes : Eagles, Carr, Grubbs, Kooyoomjian, Ruecker, Rutherford, Thompson, Vanegas

b) Authorization to Revise the FY 12-16 Capital Improvements Program (CIP), Project WSUP-22 (On-line Chlorine Analyzers)

Mr. Dickey introduced this action matter by stating that staff has been monitoring chlorine residual and water quality throughout the Service Authority's system much more aggressively in the past year or so. The changes to this existing CIP project are recommended because of the increased monitoring. Staff recommends adding more chlorine analyzers to this project, and recommends having a portable re-chlorination system that can be transported and used in the areas which have been determined to need more chlorination. Mr. Dickey then turned it over to Mr. Pannell.

Mr. Pannell advised that the Service Authority is required to perform surveillance on the system. Staff has done that for years and the Service Authority has an excellent record of compliance. It was decided a few years ago that as a vision of the Board of Directors, the Service Authority not just meet the minimum requirements but expand the surveillance program. With the expansion of the surveillance system, staff would also like to put an early warning system in place. This would be another tool to assist in better managing the water quality for the Service Authority's customers. Staff is recommending the expansion of the project to include construction of portable chlorine analyzers. Staff is requesting authorization to expand the chlorine analysis project to include design and construction of portable re-chlorination system equipment. This would increase that project by \$150,000, bringing the total to \$450,000.

Motion: Dr. Kooyoomjian moved that the Prince William County Service Authority Board of Directors does hereby approve a revision to the FY 12-16 Capital Improvements Program Project WSUP-22 to include the study, design and construction of re-chlorination facilities and increase the FY12 budget by \$150,000.

Second: Mr. Ruecker

A discussion was held about the re-chlorination facilities being tied into the SCADA system (Supervisory Control and Data Acquisition), being proactive with the Service Authority's water quality, the portable re-chlorination equipment, using water more wisely, and the ability to re-chlorinate quickly, thus increasing the efficiency and effectiveness of the Service Authority's operation. Mr. Pannell added that the requested additional funding is for the design and construction of the re-chlorination equipment itself which was not anticipated in the original scope of the project.

Ayes : Kooyoomjian, Ruecker, Carr, Eagles, Grubbs, Rutherford, Thompson, Vanegas

6. GENERAL MANAGER'S REPORT

a) Mrs. Schoonmaker—Prince William County Economic Development—Mr. Dickey advised that he had a telephone conversation with Mrs. Schoonmaker to answer her questions about possible credits that the County has with the Service Authority. Mr. Dickey followed up the conversation with a letter detailing the County's credits with the Service Authority. This letter was provided to the Board of Directors previously. Mr. Dickey advised that Mrs. Schoonmaker thanked him for the letter, but no further contact has been made concerning this inquiry.

b) **Occoquan Forest**—Mr. Dickey reported that he met with Mrs. Ann Stampf, President of the Occoquan Forest Owners Association and Mr. David Wood, Vice President. The discussion included the Service Authority's planned work in Occoquan Forest. The meeting was initiated by the Occoquan Forest Owners Association to find out what kind of work the Service Authority is doing in Occoquan Forest.

The Occoquan Forest Owners Association is holding its community meeting on April 22, 2012. Mr. Dickey advised that Service Authority representatives would attend.

c) **Neabsco Eagles Ball Fields**—Mr. Dickey reported that the current lease with the Prince William County Park Authority for the ball fields at Neabsco Eagles Park is up for renewal. Mr. Dickey has been working with Mr. Viani on the lease.

d) **Updated Purchasing Regulations**—Mr. Dickey advised that every few years because of the state law, the Service Authority updates its Purchasing Regulations which will be sent to the Board Members with a cover memo explaining the changes. It is anticipated that information will be sent to the Board of Directors next week with approval slated for the March Board meeting.

Mr. Dickey advised that a closed meeting is necessary.

7. ATTORNEY'S TIME

Mr. Viani advised that he was pleased to be a sponsor for the Water Art Invitational, as it is a great program. Mr. Viani welcomed Mr. Thompson and congratulated Mr. Weber. Mr. Viani advised that there is need for a closed meeting to discuss potential litigation and real estate negotiations.

8. CONSIDERATION OF MATTERS PRESENTED BY MEMBERS

Dr. Kooyoomjian congratulated the Service Authority on the Design/Build Award. Dr. Kooyoomjian was complimentary of staff on the numerous achievements this year. Dr. Kooyoomjian advised that he sent a couple of inquiries from Supervisor May's office and he would like to discuss those prior to responding.

Dr. Kooyoomjian advised that Supervisor May has four town meetings set up which he will be announcing in his newsletter. The first one is February 25 at the Buckhall Fire House and he would like to have a discussion in preparation for that meeting. The other meetings are February 27 at Westminster, February 29 at Rockledge and March 3 at the Tall Oaks Community Center. The Saturday meetings are typically 10 a.m. to 12 noon, and the evening meetings are from 7 p.m. to 9 p.m.

Mrs. Carr stated the Service Authority held another successful Water Art Invitational, and she complimented Miss Idol on the job she had done.

Mrs. Carr inquired as to the date of the Prince William-Manassas Regional Science Fair. Mr. Dickey advised he would check on that and advise the Board Members. (The Science Fair will be held March 17, 2012. A notice was sent to the Board Members February 14, 2012 in this regard.)

Mrs. Carr also welcomed Mr. Thompson.

Mr. Ruecker thanked the Service Authority for the Design/Build Award. Mr. Ruecker welcomed Mr. Thompson. Mr. Ruecker also thanked Mrs. O'Quinn for keeping the Board of Directors informed about the Anthem/Mary Washington matter.

Mrs. Eagles thanked staff for the information on the Anthem/Mary Washington matter and welcomed Mr. Thompson to the Board of Directors.

Mrs. Eagles stated that the Water Art Invitational gets better and better each year. Mrs. Eagles also complimented Ms. Idol.

Mr. Thompson thanked everyone for the opportunity to get acquainted and reacquainted with the members of the Board of Directors. Mr. Thompson conveyed his appreciation for the meeting with the seven directors and the staff members who provided all the information about the Service Authority. Mr. Thompson advised he is looking forward to becoming better acquainted with staff.

Mr. Rutherford commented on the 834 locations with no customers in the Benchmark Report. Mr. Beefelt responded those locations do not have an account associated with them. Mr. Dickey advised that the properties are connected to the Service Authority's system, but the properties are vacant. For example, someone moved out, but no one has moved in.

Mr. Rutherford noted that the two plats included as attachments to the Service Authority's response to the Heritage Farms sewer issue did not include the property in question. Mr. Dickey agreed. However, the critical portion of the attachment was that the language defined the easement relative to this property as a private easement. Mr. Pannell added that the attachment actually is a complete copy of the plat recorded for that property at the County.

Chairman Vanegas thanked staff and the Board Members involved in the Water Art Invitational. Everyone did a fantastic job. Chairman Vanegas congratulated staff on the Design/Build Award. Chairman Vanegas welcomed Mr. Thompson.

a) Election of a Secretary-Treasurer

Chairman Vanegas turned this matter over to Mr. Viani who stated that last year the Board of Directors voted for the officers by Acclamation.

Mr. Ruecker moved to nominate Mr. Grubbs for the office of Secretary-Treasurer. Mr. Rutherford seconded the motion.

Vote : By Acclamation, Mr. Grubbs was elected as Secretary-Treasurer.

9. ADMINISTRATIVE REPORTS

Chairman Vanegas advised if any Board Member has questions or comments on the Administrative Reports, to please refer them to Mr. Dickey for direction to the appropriate staff member.

10. CLOSED MEETING

Chairman Vanegas announced a closed meeting at 8:27 p.m. citing Code of Virginia §2.2-3711A3 (real property acquisition) and §2.2-3711A7 to discuss potential litigation.

Motion: Mrs. Eagles moved to enter a closed meeting under Virginia Code §2.2-3711A3 (real property acquisition) and §2.2-3711A7 to discuss potential litigation.

Second: Mr. Ruecker

Ayes : Eagles, Ruecker, Carr, Grubbs, Kooyoomjian, Rutherford, Thompson, Vanegas

Upon conclusion of the closed meeting at 9:40 p.m. and in compliance with the Freedom of Information Act, a motion was made by Mrs. Eagles and seconded by Mr. Ruecker 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 and §2.2-3711A3 (real property acquisition) and §2.2-3711A7 (potential litigation).

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

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,

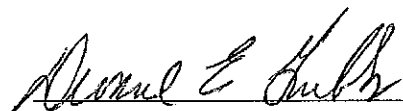
WHEREAS, §2.2-3712 of the Code of Virginia requires a certification by the Prince William County Service Authority Board of Directors that such closed meeting was conducted in conformity with Virginia law;

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: Mrs. Eagles
Second: Mr. Ruecker
Ayes : Eagles, Ruecker, Carr, Grubbs, Kooyoomjian, Rutherford, Thompson, Vanegas

11. ADJOURNMENT

Motion: Mr. Rutherford moved to adjourn the meeting at 9:41p.m.
Second: Mrs. Carr


Durward E. Grubbs
Secretary-Treasurer