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

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

Service Authority

MINUTES OF BOARD OF DIRECTORS MEETING OF JANUARY 12, 2012

Board Members Present: William J. Becker, Janice R. Carr, Joyce P. Eagles, Durward E. Grubbs, Dr. K. Jack Kooyoomjian, Paul E. Ruecker, David A. Rutherford 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, Andrea Idol, Howard Kartel, Stacey Fulker, Christi Campbell, Madhu Singh, Gerrod Minter, Kristen Murphy and Cheryl Leiby

Legal Counsel : Mark Viani

Guests : Tim King, CDM Smith

1. GENERAL MATTERS

a) Consideration of Approval of Minutes of December 8, 2011

Chairman Vanegas called for approval of the Minutes of the December 8, 2011 Board meeting.

Motion: Dr. Kooyoomjian moved to approve the Minutes of the December 8, 2011 Board meeting.

Second: Mr. Becker

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

b) Consideration of Announcements by Staff

Mr. Dickey reminded the Board Members that the Financial Disclosure forms are due to Prince William County by January 15, 2012.

Mr. Dickey advised there were two news articles at the Board Members' places, one concerning the Chesapeake Bay and the other about the cost of the Manassas dam.

Mr. Dickey wished Mr. Ruecker happy birthday for January 30, 2012.

Mr. Dickey advised the Board Members that there are four items to be discussed in a closed meeting.

c) Citizen's Time

No members of the public who were present wished to speak.

2. PRESENTATIONS

a) New Laboratory—Mr. Dickey introduced Mr. Tim King of CDM Smith, the architect who is designing the new laboratory building at the H. L. Mooney Advanced Water Reclamation Facility. Mr. King showed sketches of the proposed laboratory building which will have three main components. There will be a secure laboratory area with a wing containing a secure laboratory office area, and a space for public education. On the second floor there will be a multi-purpose training room, viewing deck, kitchen, and administrative staff offices; in the basement there will be a storage and chemical exchange area.

Mr. King also advised that the process has begun for the LEED certification (Leadership in Energy and Environmental Design—certification of an environmentally efficient/friendly building). The project should be ready for bid in mid-May. It is anticipated that construction will take 15 months, with occupancy slated for the winter of 2013. A copy of the presentation slides were emailed to the Board Members on January 13, 2012.

A discussion was held on the projected cost, number of staff members currently working in the laboratory, amount of space planned for future personnel, the possibility of future expansion of the laboratory building, access to the building from the front and rear parking lots, green roof versus standard roof, and ease of vehicle access.

Dr. Kooyoomjian had a list of green items which Chairman Vanegas asked be provided to Mr. Weber.

b) GFOA Certificate

Mr. Dickey called Mrs. Christi Campbell, Ms. Stacey Fulker and Mr. Howard Kartel forward to receive the Government Financial Officers Association (GFOA) certificate awarded to the Service Authority for the Comprehensive Annual Financial Report (CAFR) for Fiscal Year ending June 30, 2011. This is the 22nd consecutive year that the Service Authority has received this prestigious award from the Government Financial Officers Association. This award is the highest form of recognition in the area of governmental accounting and financial reporting, and represents a significant accomplishment by the Service Authority and its management.

Mr. Dickey advised that this award is being presented to those primarily responsible for preparing the report: Mr. Howard Kartel, Accounting Manager; Mrs. Christi Campbell, Senior Accountant; and Ms. Stacey Fulker, Senior Accountant.

Chairman Vanegas presented the staff members with the GFOA award.

3. ACTION MATTERS

a) Acceptance and Authorization to Release the Comprehensive Annual Financial Report

Motion: Mr. Becker moved that the Prince William County Service Authority Board of Directors does hereby accept and authorizes release of the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2011.

Second: Mr. Ruecker

Mrs. Eagles, Chair of the Audit Committee, thanked Dr. Kooyoomjian and Mr. Becker, the Audit Committee Members along with Mr. Kartel and Mrs. Nelson for their work in this endeavor. The Audit Committee met several times with Mr. Mike Garber of PBGH. Mrs. Eagles advised that there were no audit issues and the Management Reports were very good. There were no internal controls and deficiencies noted this year. Everybody did an exceptional job; Mrs. Eagles thanked staff for their efforts. Mrs. Eagles, on behalf of the Audit Committee, recommended the acceptance of the Comprehensive Annual Financial Report (CAFR) for Fiscal Year ending June 30, 2011 and authorized its release to the public.

Mr. Rutherford asked if the Prince William Board of County Supervisors has seen the CAFR. (A copy of the CAFR was sent to each member of the Board of County Supervisors on January 17, 2012.)

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

b) Authorize Issuance of Two Task Orders for Sanitary Sewer Main Line Relining and Manhole Rehabilitation

Mr. Dickey advised that since the sewer rehabilitation contract will be going out to bid next year, staff would like to take advantage of the lower prices and is seeking approval to get this project completed this year. Mr. Dickey turned this matter over to Mr. Pannell who advised that staff inspects the Service Authority's sewer main infrastructure and assesses its condition; over 130 miles of main are inspected each year. Occasionally, staff finds a section that needs immediate action. Degradation of the manholes in the area is caused due to the location of this main downstream of Yorkshire Pump Station. Staff is seeking approval to proceed with two task orders: one to AM-Liner east for \$54,347.48 for sewer main relining; and one to Lyttle Utilities for \$103,213.12 for the rehabilitation of the manholes.

Motion: Mrs. Eagles moved that the Prince William County Service Authority Board of Directors does hereby authorize the General Manager to issue a task order to AM-Liner East, for an amount not to exceed \$54,347.48, and a task order to Lyttle Utilities for an amount not to exceed \$103,213.12, based on the prices shown in the respective bid schedules.

Second: Mr. Becker

A discussion was held on whether the closed circuit TV camera was used on the whole sewer line or just sections, the selection of areas for rehabilitation, and the formation of hydrogen sulfide.

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

c) Approval of Owner Services Agreement with MWH Americas, Inc. (MWH)

Mr. Dickey advised that normally this type of contract is not brought before the Board of Directors; however, this is a critical contract for the Supervisory Control and Data Acquisition (SCADA) program management and will involve large task orders. The contract has been provided for the Board of Directors' review. Staff has tightened the requirements and eliminated the labor hour multiplier. Staff will negotiate each hourly rate with the contractor on each individual project agreement. Staff has negotiated to pay directly for direct costs, so there is no G&A (General and Administration) on those costs. More importantly, Service Authority staff did a very thorough investigation before selecting the SCADA Program Manager for the Service Authority. Staff conducted site visits, assessed capabilities, technical knowledge and abilities, and conducted interviews of the organizations where MWH had done similar SCADA work. Mr. Dickey advised that Mr. Jim Pflugshaupt, Director of Information Technology, led this effort.

Dr. Kooyoomjian noted that this comprehensive information system fills a very high strategic goal for the Service Authority in order to be a high performance organization. A brief discussion was held on the life of the technology, how quickly it changes, and the financial investment necessary to keep the system current.

Mr. Rutherford sought verification that the highlighted areas in the contract were those that staff would negotiate; Mr. Dickey confirmed this. Mr. Rutherford also asked if legal counsel had reviewed this contract; Mr. Dickey responded affirmatively.

Mr. Ruecker asked about the timeframe of the replacement and the amount of time it would take to have it functional. Mr. Pflugshaupt advised that regarding the SCADA system, completion is anticipated two years from the start date.

Chairman Vanegas called for the consensus of the Board of Directors. Since no objections were raised, Mr. Dickey will sign the contract.

Motion: Mr. Rutherford moved that the Prince William County Service Authority Board of Directors does hereby approve and authorizes the General Manager to execute the contract with MWH Americas, Inc.
Second: Mrs. Carr
Ayes : Rutherford, Carr, Becker, Eagles, Grubbs, Kooyoomjian, Ruecker, Vanegas

4. GENERAL MANAGER'S REPORT

a) Amazon's payment—Mr. Dickey advised that a payment of \$3,504,272 in additional availability fees was received from Amazon as payment for its excess use over and above originally purchased capacity.

b) Virginia Municipal League (VML) Gold Award—Mr. Dickey advised that the Service Authority received a discount of approximately \$25,000 from the Virginia Municipal League (VML) because the Service Authority has done a good job at reducing its costs for worker's compensation and other workers' compensation insurance costs. For this effort, the Service Authority received the VML Gold Award. Mr. Dickey congratulated everyone involved in attaining this award.

c) Northern Virginia Regional Water Plan—Mr. Dickey advised that the Prince William Board of County Supervisors passed the Northern Virginia Regional Water Plan at its December 13, 2011 meeting.

d) Current Capital Improvements Program (CIP) document, Comprehensive Annual Financial Report (CAFR) and FY 2012 Budget—Mr. Dickey reported that over the past few months staff has received several requests for documents. Those documents can cost a lot of money to duplicate (\$90.00 for the CIP). In order to improve communications and access, and to help save some money, those documents are now available at the Chinn Public Library.

e) Legislative Session—Mr. Dickey reported on proposed legislation that would make placing a lien against a property more difficult. If adopted, staff will return to the Board of Directors with a plan to deal with the new legislation.

Mr. Dickey advised that there are other significant proposed legislative issues that could affect the Service Authority's right of eminent domain.

f) Education Display Committee—Mr. Dickey advised that the Education Display Committee met to brainstorm ideas. The design has not yet started. Mr. Dickey opened this matter up for comments from anyone who attended that committee meeting. Mrs. Carr noted that there were 15 people at the meeting at the Service Authority Learning Center earlier in the week. A representative from the schools provided information as to what age groups to target and provided helpful ideas and information. Mrs. Carr was complimentary of the display designer and noted she is looking forward to continue working on the Education Display Committee.

Mr. Ruecker voiced concern about costs and liability of some of the interactive elements that were suggested as potential ideas.

Chairman Vanegas asked about the date of the next meeting of the Education Display Committee. Ms. Griffith is waiting for the exhibit consultant to get back in touch with her and she will coordinate with the Board Members. Chairman Vanegas asked that all the Board Members be notified of the next meeting.

g) Closed Meeting—Mr. Dickey advised there is need for a closed meeting to discuss four different matters.

5. ATTORNEY'S TIME

Mr. Viani wished Happy New Year to everyone. He advised he would report in the closed meeting.

6. CONSIDERATION OF MATTERS PRESENTED BY MEMBERS

Dr. Kooyoomjian wished everyone Happy New Year. Dr. Kooyoomjian complimented everyone who worked on the Comprehensive Annual Financial Report (CAFR). He stated he especially liked the carefully selected Chesapeake Bay photos and complimented Ms. Griffith on the photography selections.

Dr. Kooyoomjian voiced his appreciation of being copied on Mr. Dickey's recent letter to the Occoquan Forest Owners Association President.

Mrs. Carr advised that she is excited to be a part of bringing the Education Center to the H. L. Mooney Advanced Water Reclamation Facility; she envisions great things. Mrs. Carr also advised she is looking forward to the Water Art Invitational next month, and she appreciated the additional new lighting in the parking lot.

Mr. Grubbs referred to the customer newsletter and asked if staff provides this information to the newspapers. Mr. Dickey advised that it is provided, but the newspapers usually do not print it. That's why staff is sending it to the customers directly with their bills. Mr. Rutherford suggested contacting the Lake Ridge Observer or Bull Run Observer.

Mr. Ruecker congratulated Mr. Kartel and the Finance staff for the great job they had done on the CAFR. He also commended Mr. Kartel for his community involvement (being an usher at the recent swearing in ceremony of the Board of County Supervisors at the Hylton Performing Arts Center). Mr. Kartel is a volunteer at the symphony hall. Mr. Kartel is very knowledgeable and he provided a significant amount of information to the visitors about the building in general.

Mr. Ruecker complimented Mr. King on the laboratory building design presentation.

Mr. Rutherford asked if staff used the Dialogic call system for the water break in Gainesville caused by the contractor. Mr. Pannell responded staff used it twice that day with good results. Mr. Dickey advised it is our standard operating procedure to use it for all breaks. We are taking the extra effort to make sure that message goes out in real time.

Mr. Rutherford also asked if any consideration has been given to a ribbon cutting/dedication ceremony at the H. L. Mooney Advanced Water Reclamation Facility. Mr. Dickey responded affirmatively, adding once the project is complete. Phase B (odor control and site work) and Phase C (the generators) still need to be finished. The Certificate to Operate has been received and staff is working with the regulatory agencies on the air permits.

Mr. Rutherford asked about the reaction/feedback on the one-time performance payment. Mr. Dickey advised that staff was extremely appreciative of the Board of Directors' action.

Mr. Becker stated that it has been an honor for him to serve on the Service Authority Board of Directors. He was very complimentary of staff for their professionalism and dedication.

Mrs. Eagles wished Happy New Year to everyone. She stated that the Christmas lunch was very nice and the employees attending the luncheon who talked to her were very happy to receive the one-time performance payment. She also complimented the staff for the good job on the CAFR.

Chairman Vanegas thanked the staff the wonderful job they had done on the CAFR. Chairman Vanegas also thanked Mr. Becker for his time on the Board of Directors and invited him back to the next Board meeting so the Board of Directors would have an opportunity to recognize him for his many years of service. Also, Chairman Vanegas thanked Mr. Becker for his many years of service on the Prince William Board of County Supervisors.

7. 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.

8. CLOSED MEETING

Chairman Vanegas announced a closed meeting at 8:41 p.m. citing Code of Virginia §2.2-3711A7 to discuss potential litigation and §2.2-3711A3 (real property acquisition).

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

Second: Mr. Ruecker

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

Upon conclusion of the closed meeting at 9:50 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 §2.2-3711A7 (potential litigation) and §2.2-3711A3 (real property acquisition).

Motion: Mrs. Eagles

Second: Mr. Ruecker

Ayes : Eagles, Ruecker, Becker, Carr, Grubbs, Kooyoomjian, Rutherford, 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;

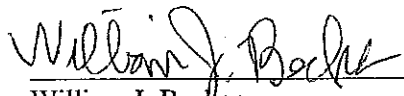
NOW, THEREFORE, BE IT RESOLVED that the Prince William County Service Authority Board of Directors hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which 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, Becker, Carr, Grubbs, Kooyoomjian, Rutherford, Vanegas

10. ADJOURNMENT

Motion: Mr. Becker
Second: Mr. Rutherford

The meeting adjourned at 9:51 p.m.



William J. Becker
Secretary-Treasurer