



# Service Authority

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

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

## MINUTES OF BOARD OF DIRECTORS MEETING OF JUNE 12, 2014

Board Members Present : Janice R. Carr, Joyce P. Eagles, Ernie Gonzales, K. Jack Kooyoomjian, Ph.D., Paul E. Ruecker, David A. Rutherford, L. Ben Thompson, and Eric A. Young

Staff : Dean E. Dickey, Leslie A. Griffith, Lyle Beefelt, Samer Beidas, Keenan Howell, Evelyn Mahieu, Ph.D., Astrid Nelson, Theresa O'Quinn, Don Pannell, Steve Bennett, Howard Kartel, Tony Piccione, and Kimberly Murray.

Legal Counsel : Mark Viani

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### 1. GENERAL MATTERS

Chairman Ruecker called the meeting to order at 7:30 PM.

a) Consideration of Approval of Minutes of May 8, 2014

Chairman Ruecker called for approval of the Minutes of the May 8, 2014 Board meeting.

Motion : Mr. Young moved to approve the Minutes of the May 8, 2014 Board meeting.  
Second : Mr. Rutherford  
Ayes : Young, Rutherford, Carr, Eagles, Gonzales, Kooyoomjian, Ruecker, Thompson

b) Consideration of Announcements by Staff

Mr. Dickey noted the following items at Board Members' places: (1) Updated Contact List; (2) Social Media Post Sharing Report; (3) *Water Ways* – Summer 2014 Issue. Mr. Dickey also advised that corrected pages to the Updated Investment Policy (which is one of the action items for this evening) are provided and will be explained at the appropriate time. Mr. Dickey reported that the briefing on the SCADA system will be presented to Board Members at the July 10 meeting. (The consulting project manager could not be present tonight.)

c) Citizens' Time

No citizens were in attendance who wished to speak.

### 2. PRESENTATION

Chairman Ruecker presented the Government Finance Officers' Association (GFOA) Award to Mr. Howard Kartel, Accounting Manager. This award represents a certificate of achievement for excellence in

financial reporting; is the highest form of recognition in the area of governmental accounting and financial reporting; and represents a significant accomplishment by the Authority and its management. This is the 25<sup>th</sup> year the Service Authority has received the award.

3. ACTION MATTERS

- a) Approve Task Order for Project Management Services as Owner's Representative for Design and Development of Guaranteed Maximum Price (GMP) for the Air Pollution Control Upgrades to the Fluidized Bed Incinerator (FBI) at the H. L. Mooney Advanced Water Reclamation Facility (AWRF).

Mr. Dickey advised this project is approaching the final design phase and will soon be ready to move to the construction phase. The actual construction management at risk (CMAR) contract is not included for approval at this time because of a vendor-related concern. The Authority hopes to proceed with the CMAR at the July Board meeting. This task order is for project management services as the owner's representative. The consultants need to be on-board now to assist the Authority through the important CMAR negotiation and award process.

Motion : Dr. Kooyoomjian moved that the Prince William County Service Authority Board of Directors hereby approves the Task Order for Project Management Services as Owner's Representative for Design and Development of Guaranteed Maximum Price (GMP) for the Air Pollution Control Upgrades to the Fluidized Bed Incinerator (FBI) at the H. L. Mooney Advanced Water Reclamation Facility (AWRF).

Second : Mrs. Eagles

Dr. Kooyoomjian noted the cost for services is reasonable. Discussion was held.

Ayes : Kooyoomjian, Eagles, Carr, Gonzales, Ruecker, Rutherford, Thompson, Young

- b) Approve Resolution for Virginia Retirement System Employer Contribution Rate of 10.50%

Mrs. O'Quinn explained the staff's recommendation of accepting the alternate (higher) Employer Contribution Rate of 10.50%. Paying the higher rate allows the Service Authority to pay down its liability sooner (it will pay down an additional \$500,000). Funding is available because the FY2015 budget was predicated on the current rate of 11.35%.

Motion : Dr. Kooyoomjian moved that the Prince William County Service Authority Board of Directors hereby approves the Resolution for the Virginia Retirement System Employer Contribution Rate of 10.50%.

Second : Mrs. Eagles

Discussion was held. Ms. Griffith advised that this action will reduce the Service Authority's rate in the future (by paying the pension liability down). Dr. Kooyoomjian thanked staff for the documentation supporting their recommendation.

Ayes : Kooyoomjian, Eagles, Carr, Gonzales, Ruecker, Rutherford, Thompson, Young

- c) Approve Updated PWCSA Investment Policy

Mr. Dickey noted that the Authority has a conservative investment policy. It was last approved by the Board in 1996. Mr. Dickey deferred to Mr. Beefelt to explain the updates to the Board Members. The Investment Committee meets at least quarterly. During the past year members reviewed the investment policy and made recommendations that formalize many of the Committee's meetings and actions in order to introduce a

more formal and robust internal controls system. The Committee has reduced the breadth of the investments, and would like to update the policy to be more in line with the types of securities the Authority would actually consider buying. Based on Board Member feedback, the corrections provided to Board Members this evening include referring to the "Investment Committee" (instead of the "Investment Review Committee"); additionally, in some places the Investment Committee was referred to as "the Committee" or the investment policy was referred to as "this Policy." Corrections were made to reference these terms appropriately at the beginning of the Policy.

Motion : Dr. Kooyoomjian moved that the Prince William County Service Authority Board of Directors hereby approves the Updated PWCSA Investment Policy.  
Second : Mr. Thompson

Dr. Kooyoomjian thanked the committee for making the corrections easy to read and follow. Mr. Ruecker asked who is on the committee; Mr. Beefelt replied that the Deputy General Manager/CFO, Ms. Griffith, is the Primary Investment Officer. Other members include the General Manager, the director of Management and Budget, the director of Finance, and the Accounting Manager. Any investment managers that the Investment Committee employs may also serve on the committee; those members currently include the Management and Budget Project Manager (Mr. Lake Akinkugbe) and the Accounting Manager (Ms. Stacey Fulker), who manages the internal controls program. Mr. Dickey added that Mr. Beefelt is the Chairman of the Committee.

Mrs. Carr noted the Investment Policy was last updated in 1996 and asked if this is the normal period between updates. Mr. Beefelt stated the Committee reviews the policy periodically and makes recommendations for changes; the policy was not out of date (as the code has not changed significantly), it just hasn't been updated for a while. Mrs. Eagles asked if any outside people are on the Committee; Mr. Beefelt responded that the Authority does not employ an outside manager at this time. The financial advisor is Davenport and Company; they also provide advice and assistance when the Authority issues bonds. Mr. Rutherford asked how often the committee meets; Mr. Beefelt replied that the Committee meets at least quarterly. Additional discussion was held.

Ayes : Kooyoomjian, Thompson, Carr, Eagles, Gonzales, Ruecker, Rutherford, Young

#### 4. GENERAL MANAGER'S REPORT

a) Area 6 Memorandum of Understanding (MOU): Mr. Dickey referenced the contract the Authority renegotiated with the City of Manassas (City) to provide the Authority wholesale water. Negotiations regarding another agreement, Area 6 (near Manassas Airport), were delayed because, at the time, the Authority and the City did not want the negotiation of Area 6 to interfere with the wholesale water agreement. The Authority and the City recently agreed to an MOU, which will allow the Authority to recoup the extra capacity the City is using through the Authority's lift station, through the monthly UOSA billing process. The Authority will recover approximately \$1 million of capacity for the Authority in UOSA as a result of the MOU. Mr. Ruecker asked if the MOU requires Board action; Mr. Dickey stated it does not, as no contract terms were amended.

b) Mr. Dickey showed Board Members the June 2014 issue of *UIM (Utility Infrastructure Management) Magazine* which features a cover article about the Service Authority's GIS system.

c) UOSA Proposed Service Agreement Amendment: Mr. Dickey stated that Fairfax County has taken the lead in asking UOSA to amend their service agreement. The proposed change will give individual entities the option to pay cash rather than borrow when UOSA issues bonds. Mr. Thompson asked if a cash payment would have any impact on the bond rate; Ms. Griffith noted a stipulation in the agreement that the rating on the bonds must be the same as the prior rating. General discussion was held.

d) Mr. Dickey announced that the Service Authority received word that it has once again received the NACWA (National Association of Clean Water Agencies) Platinum Award. The award will be presented next month at NACWA's Annual Meeting in Portland, Oregon.

e) Mr. Dickey advised the Board Members of a request received from a citizen on Bull Run Mountain who wants to purchase the land next to his (which is owned by the Service Authority). The Service Authority is sending a letter to this person advising that, because of the scarcity of available water in Bull Run Mountain, and because of the potential for existing wells to dry up (creating a need for additional water), the land is not for sale, as the Service Authority may need it for future use. The resident offered to exchange an easement for the property, but Mr. Dickey noted the Service Authority does not exchange easements.

Mr. Dickey stated it is necessary to hold a closed meeting.

5. ATTORNEY'S TIME

Mr. Viani confirmed the need for a closed meeting to discuss matters related to Codes of Virginia § 2.2-3711A6, Contracts, and § 2.2-3711A7, Litigation.

6. CONSIDERATION OF MATTERS PRESENTED BY MEMBERS

Mr. Gonzales expressed his desire to understand the source of funding for unfunded required projects and how approval of those funds affects budgets. Mr. Dickey stated that a briefing explaining the process will be provided to the Board at a future meeting.

Mrs. Eagles thanked Mr. Beidas and Mr. Pannell for attending the Prince William Board of County Supervisors' meeting on June 3. She also thanked Mrs. Nelson for speaking with Supervisor Principi's office about the Marumsco Lakes lift station.

With respect to the Fats, Oils, and Grease (FOG) Program, Mr. Thompson asked what the interface is between the County Health Department and the Service Authority inspections, etc. that are alluded to in the FOG pamphlet. Dr. Mahieu explained the Department of Health deals with restaurants primarily regarding sanitation issues and, more specifically, the cleanliness, etc. of the restaurants. They do not normally look at the FOG traps or the interceptors. The Service Authority is the entity that implements the requirements in the pretreatment ordinance that includes fats, oils, and grease. Thus, the responsibility falls on the Authority to implement the inspections plan. If there is a problem with an interceptor or trap, the Authority can report it and the Health Department will support it by accompanying the Authority to the restaurant.

Dr. Kooyoomjian congratulated staff for receiving the GFOA Award and for their continued professionalism; mentioned that Rotary International held the World Water Conference in Australia in May and selected a Brentsville resident to attend the conference; provided two articles to be shared with Board Members and staff; and thanked staff for uneventful storm events.

Mr. Ruecker commended the Picnic Committee for their work in planning the event. He also stated the parking lot and the new furniture in the lobby look great.

7. ADMINISTRATIVE REPORTS

Chairman Ruecker asked the Board Members to please provide any questions they may have on the Administrative Reports to Mr. Dickey for dissemination to the appropriate staff member.

8. CLOSED MEETING

Chairman Ruecker announced a closed meeting at 8:17 PM for the purpose of discussing contracts and litigation under Codes of Virginia § 2.2-3711A6, Contracts, and § 2.2-3711A7, Litigation, and requested a motion for same.

Motion : Dr. Kooyoomjian  
Second : Mr. Young  
Ayes : Kooyoomjian, Young, Carr, Eagles, Gonzales, Ruecker, Rutherford, Thompson

Upon conclusion of the closed meeting at 9:05 PM and in compliance with the Freedom of Information Act, a motion was made by Mrs. Carr and seconded by Mr. Gonzales to return to an open meeting certifying that to the best of the members' knowledge, the only matters considered were those that were appropriate to be discussed under Code of Virginia § 2.2-3711A7, Litigation.

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**, § 2.2-3711A7 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. Young  
Second : Mrs. Carr  
Ayes : Young, Carr, Eagles, Gonzales, Kooyoomjian, Ruecker, Rutherford, Thompson

9. ADJOURNMENT

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

The meeting adjourned at 9:08 PM.

  
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Janice R. Carr  
Secretary-Treasurer