



Service Authority

Paul E. Ruecker, Chairman
Joyce P. Eagles, Vice Chairman
Janice R. Carr, Secretary-Treasurer
Ernie Gonzales, Member
Dr. K. Jack Kooyoomjian, Member
Garth R. Porter, 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 MARCH 12, 2015

Board Members Present : Janice R. Carr, Joyce P. Eagles, Ernie Gonzales, K. Jack Kooyoomjian, Ph.D., Garth R. Porter, Paul E. Ruecker, and L. Ben Thompson.

Staff : Dean E. Dickey, Leslie A. Griffith, Lyle Beefelt, Samer Beidas, Keenan Howell, Evelyn Mahieu, Ph.D., Astrid Nelson, Theresa O'Quinn, Don Pannell, James Pflugshaupt, Steve Bennett, Marlo Thomas Watson, and Kim Murray.

Legal Counsel : Mark Viani

Guests : Eric and Anna Young; Michael, Linda, and Tristan McGuinn and guest, Destiny; Arthur E. Anderson, II, McGuire Woods; and Ty Wellford, Davenport and Company, LLC.

Absent : David A. Rutherford

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

1. GENERAL MATTERS

a) Consideration of Approval of Minutes of February 12, 2015

Chairman Ruecker called for approval of the Minutes of the February 12, 2015 Board meeting.

Motion : Dr. Kooyoomjian moved to approve the Minutes of the February 12, 2015 Board meeting.

Second : Mrs. Eagles

Ayes : Kooyoomjian, Eagles, Carr, Gonzales, Porter, Ruecker, Thompson

Absent : Rutherford

b) Consideration of Announcements by Staff

Mr. Dickey announced that the Prince William Board of County Supervisors approved Dr. Kooyoomjian's appointment to the Service Authority Board of Directors at their meeting on March 3. Mr. Dickey noted the following items at Board Members' places: (1) Updated wallet-sized contact cards;

(2) Service Authority Organizational Chart; and (3) Updated list of Board Members' terms. Mr. Dickey wished a happy birthday to Dr. Kooyoomjian, whose birthday is April 5.

c) Citizens' Time

There were no citizens in attendance who wished to speak.

2. COMMENDATIONS

a) Michael McGuinn

Mr. Dickey called Mr. Michael McGuinn forward and introduced his family. Mr. Dickey read the resolution commending Mr. McGuinn on his retirement after 36 years and four months of service to the customers of the Greater Manassas Sanitary District and the Prince William County Service Authority, and the citizens of Prince William County.

Motion : Mrs. Eagles moved that the Prince William County Service Authority Board of Directors does hereby commend Mr. Michael McGuinn for his dedicated service to the customers of the Prince William County Service Authority and the citizens of Prince William County, and expresses best wishes for happiness in his retirement.

Second : Mrs. Carr

Ayes : Eagles, Carr, Gonzales, Kooyoomjian, Porter, Ruecker, Thompson

Absent : Rutherford

Mr. McGuinn expressed his thanks to the Board, Mr. Dickey and Mr. Pannell for the opportunity to work at the Service Authority.

b) Eric Young

Mr. Dickey called Mr. Eric Young forward and introduced his wife, Anna. Mr. Dickey read the resolution commending Mr. Young's service on the Service Authority Board of Directors from November 2012 through January 2015, including serving as Vice Chairman of the Board from September 2013 through January 2015.

Motion : Mrs. Eagles moved that the Prince William County Service Authority Board of Directors does hereby commend Mr. Eric Young for his dedicated service as a member of the Prince William County Service Authority Board of Directors from November 2012 through January 2015.

Second : Mr. Porter

Ayes : Eagles, Porter, Carr, Gonzales, Kooyoomjian, Ruecker, Thompson

Absent : Rutherford

Mr. Dickey thanked Mr. Young for his service to the Board. Mr. Young thanked the Board Members and stated that he enjoyed serving on the Service Authority Board. He feels it is a goal to work with people who perform excellent work and it was exciting to be part of a multi-award winning public utility.

3. ACTION MATTERS

a) Water and Sewer Refunding Bond, Series 2015A

Mr. Dickey asked Mrs. Nelson to summarize the refunding opportunity. Mrs. Nelson explained that the Authority has the opportunity to achieve substantial debt service savings by refunding the Service Authority's 2005 bond issuance. Staff evaluated both a public issuance and a bank placement; the bank placement offers a much lower cost of issuance and allows for the interest rate to be locked in for 45-60 days. The bank placement was more favorable on the day of the bids and remains more favorable today. The refunding will result in debt service savings of approximately \$5 million, which, when added to the VRA and UOSA refundings from earlier this year, results in over \$14 million in total debt service savings. Staff recommends authorizing the bond refunding. Mrs. Nelson noted that the Authority's bond counsel (Mr. Arthur Anderson) and the Authority's Financial Advisor (Mr. Ty Wellford) were also present to answer any questions.

Mr. Dickey asked Board Members to authorize the refunding of the Service Authority's 2005 Bond Series through the issuance of a 2015 bond issuance to TD Bank.

Dr. Kooyoomjian asked if certain language in the document was considered standard; Mr. Anderson confirmed that it was standard language. Mr. Ruecker asked about the make whole provision. Mr. Wellford explained that the Service Authority could pay off the bond at any time; however, the Service Authority would not benefit from a refunding.

Motion : Mr. Porter moved that the Prince William County Service Authority Board of Directors hereby approves (1) Authorizing the Issuance, Sale and Award of Up To \$22,500,000 of Refunding Revenue Bonds of the Authority, (2) The Refunding and Redemption of All or A Portion of Certain Outstanding Bonds of the Authority and (3) Setting Forth the Form, Details and Provisions for the Payment Thereof.

Second : Mrs. Eagles

Ayes : Porter, Eagles, Carr, Gonzales, Kooyoomjian, Ruecker, Thompson

Absent : Rutherford

4. GENERAL MANAGER'S REPORT

a) Mr. Dickey noted staff will participate [as judges] in the Prince William-Manassas Regional Science Fair scheduled for this Saturday, March 14. We will recognize the Service Authority winners at our April meeting.

b) Mr. Dickey deferred to Mrs. Watson to brief the Board on the Authority's new Sewer Science Program. Mrs. Watson explained the program was designed to teach high school students about sewer science and the wastewater treatment process. To date, seven teachers at six Prince William County high schools have signed up to implement the program for this fiscal year. Additionally, staff at the H. L. Mooney Advanced Water Treatment Facility will serve as mentors to the students. Key members of Authority staff and school personnel were trained on the program in January 2015. The Authority may consider offering Saturday tours at the Mooney plant and the new Grubbs Environmental Center for extra credit for students. General discussion was held. Mr. Thompson thanked Mrs. Watson and Authority staff for the progress they have made with Prince William County Schools. Mr. Porter requested a list of schools that are participating, and expressed his interest in being trained as a mentor for the program. Mr. Gonzales requested information about the program. Mrs. Watson offered to send the information and list of participating schools to all Board Members. Mr. Dickey noted that information about the program will be posted on the Authority's website.

c) Mr. Dickey briefly explained a handout titled, "Comparison of Fixed % of Residential Bill." The information concerning the Washington Suburban Sanitary Commission was updated.

d) Mr. Dickey noted that Messrs. Lyle Beefelt and Don Pannell have been selected to speak at the WaterJAM conference in September; their respective topics are "What Gets Measured Gets Done: Using Systematic Measurement to Fuel High Performance" and "Using Design-Build to Replace Aging SCADA Systems."

e) Mr. Dickey announced that the Service Awards Luncheon will be held Wednesday, April 15, 2015 (11:30 AM to 1:00 PM) at Bonefish Grill on the Prince William Parkway (same location as last year).

f) Mr. Dickey asked Board Members if they would like to add pizza and salad to their dinner rotation. Member expressed their approval of this suggestion.

g) Mr. Dickey deferred to Mr. Pannell for a briefing on water main breaks. Mr. Pannell shared copies of a table titled, "Water Main Breaks vs Leak Detection" and explained how winter weather contributes to water main breaks. The Authority fared extremely well during January and February 2015, with an even lower number of breaks than the Authority's average. Mr. Pannell explained that proactively locating and repairing small leaks contributes to the lower number of breaks; the number of breaks has decreased annually over the past six years. Mr. Ruecker noted this is a testament to a proactive and high performance organization and expressed his praise to staff for their work. Mr. Gonzales asked what the return on investment is with respect to minimizing the breaks; specifically, what the actual costs were when the number of breaks was high compared to what the costs are today with preemptive leak repairs. Mr. Dickey noted that, industry-wide, it costs 5-10 times more to replace water lines than to proactively maintain them. Mr. Beefelt added that the goal is to save on repair costs as well as to keep customers in service. Referring to the table, Mr. Pannell stated that each year, after their leak detection and repair efforts, staff estimates the volume of water that was being lost at the leak, then they perform a calculation as if the leak had gone undetected for one year, and they calculate the value of that lost water. Each year that staff has done these calculations the Authority has saved money in the cost of water lost as compared to the cost of the leak investigation. Mr. Pannell offered to tally the figures as requested by the Board Members. Mr. Dickey noted that preventing leaks (unaccounted-for water) is a significant cost savings to the Service Authority because water treatment plant capacity costs approximately \$5/gallon, so eliminating two million gallons of unaccounted-for water saves \$10 million worth of capacity. Mr. Thompson asked about the sizes of the largest and smallest water main breaks the Authority has found. Mr. Pannell explained that the smallest breaks are leaks from weep-holes of fire hydrants (resulting in water loss of less than one gallon per minute). The largest are actual water main breaks that occur underground and flow (undetected) to a storm sewer. Mr. Pannell estimated the water loss at one particular break to be 30 gallons per minute. He will obtain the specific information on the largest breaks and send it to Board Members. Additional general discussion was held.

h) Mr. Dickey advised Board Members that he provided Mr. Vanegas a suggested date and time for the Board's joint meeting with the PWC Planning Commission (May 14 prior to the Authority's regular Board meeting); he has not received a response confirming the date.

i) Mr. Dickey asked Mr. Beidas to provide an update on the Davis Ford Road construction project. Mr. Beidas advised that the project is on schedule; the last easement required for the sewer system was secured. The dedicated web page and the social media accounts are updated every two weeks. To date, approximately six hundred feet of sewer main has been installed. Mr. Dickey invited Board Members to visit the web page. Additional discussion was held.

j) Board Members were provided a copy of the 2014 Performance Measurement Report. Staff will brief the Members on this report at a future meeting.

k) A copy of the proposed FY2016 Budget was distributed to Members for review; a briefing and discussion will be held at the April Board meeting with approval to follow at the May meeting.

5. ATTORNEY'S TIME

Mr. Viani announced there is no need to hold a closed meeting.

6. CONSIDERATION OF MATTERS PRESENTED BY MEMBERS

Mr. Gonzales congratulated staff on their community outreach efforts.

Mrs. Eagles added her congratulations to the staff on the refinancing savings and outreach projects. She also asked if the Customer Handbook will be provided to the County Supervisors. Mrs. Nelson offered to send a copy to each of them. The handbook content is also provided on the Authority's website. Mrs. Eagles announced the Audit Committee will meet immediately prior to the April Board Meeting.

Mrs. Carr thanked Mr. Howell for his contribution to making the Water Art Invitational a success.

Mr. Porter thanked staff for his orientation session. He also shared congratulatory comments (shared with him by students' parents, as well as his own remarks) for Mrs. Watson and staff for their outstanding efforts on the Water Art Invitational.

Dr. Kooyoomjian reported that he received a call from an Occoquan Forest resident about asphalt repair. He referred the resident to the Authority's special web page for the project. Mr. Dickey advised the Authority will repair anything that is damaged by its crews. Dr. Kooyoomjian thanked staff for handling a customer complaint shared from Supervisor May's office. He also commended Mr. Beidas and his staff for their work on the Capital Improvements Program (CIP). Dr. Kooyoomjian noted that he will attend the Science Fair as a judge for the Federal Water Quality Association.


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. ADJOURNMENT

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

The meeting adjourned at 8:29 PM.



Janice R. Carr
Secretary-Treasurer