

**VIRGINIA:**

At a regular meeting of the King George County Service Authority Board of Directors, held on Tuesday, the 15<sup>th</sup> day of September 2009, at 6:00 p.m. in the Board Room of the Revercomb Building at 10459 Courthouse Drive, King George, Virginia:

**PRESENT:** Joseph W. Grzeika., Chairman  
James B. Howard, Vice-Chairman  
Cedell Brooks, Jr., Member  
James F. Mullen, Member  
Dale W. Sisson, Jr., Member  
A. Travis Quesenberry, County Administrator  
Matthew J. Britton, County Attorney

The Chairman, Mr. Grzeika, called the meeting to order.

Mr. Brooks provided the Invocation.

Mr. Mullen led the Pledge of Allegiance.

**Public Comment:**

The Chairman opened the floor for public comment. There being none, the Chairman closed that portion of the meeting.

**Reports of Members of the Board:**

There were no reports from the members of the Board.

**SA-09-03 – Consent Agenda:**

On a motion by Mr. Sisson, seconded by Mr. Howard, and carried unanimously, each member voting as follows: Mr. Grzeika Aye; Mr. Howard Aye; Mr. Brooks Aye; Mr. Mullen Aye; and Mr. Sisson Aye, the King George County Service Authority Board of Directors approved the Consent Agenda, as presented, which included the following:

Authorized the issuance of warrants against the FY09-10 KGCSA Operating Fund in the total amount of \$802,056.83

Authorized the issuance of warrants against the FY09-10 KGCSA Capital Reserve Projects Fund in the total amount of \$859.80

Approved the minutes of August 2009

**09-04 – County Attorney Report**

There was no report from the County Attorney.

**09-05 – Presentations and Reports:**

***Report from Davenport & Associates***

A report was presented by Mr. Kyle Laux of Davenport & Associates regarding status of the restructuring of the debt for the Service Authority. Formal approval has now been received by Union Bank and Trust and documentation is near completion. Mr. Laux presented a resolution for the Board's consideration for formal approval of the restructuring transactions and stated that closing should take place by Tuesday, September 22, 2009. The resolution is for the issuance and sale of up to \$7,000,000 King George County Service Authority Water and Sewer Revenue Refunding Bond, Series 2009. He further explained that the King George County Board of Supervisors would be adopting a similar resolution and support agreement during its upcoming meeting.

Mr. Britton confirmed that there would be two resolutions, one for the Service Authority to issue new bonds and to pay off existing bonds; the other would be a Support Agreement resolution/Moral Obligation to be approved by the Board of Supervisors.

On a motion by Mr. Sisson, seconded by Mr. Howard, and carried unanimously, each member voting as follows: Mr. Grzeika Aye; Mr. Howard Aye; Mr. Brooks Aye; Mr. Mullen Aye; and Mr. Sisson Aye, the King George County Service Authority Board of Directors adopted the authorizing resolution for the issuance and sale of up to \$7,000,000 King George County Service Authority Water and Sewer Revenue Refunding Bond, Series 2009, as presented.

Mr. Grzeika noted that this was a positive move to get a better financial grasp on the Service Authority and to better benefit the customers served by the Authority.

**Action Items:**

**09-06 – Authorize Transfer of Funds & Expenditures for Arnold's Corner Water Storage Tank Project**

Mr. Thomas requested the Board approve a budget line item transfer of \$18,000 from the Construction line item to the Engineering line item for the Arnold's Corner Water Storage Tank Project. The transfer is required to fund the proposed change order for the additional construction administration services resulting from the concrete foundation problems and the delays resulting from the coordination with the adjacent church/day care facility. The tank construction contractor, CB&I, previously provided an \$11,400 credit for the additional costs associated with the concrete foundation. KGCSA staff had negotiated these costs and determined them to be reasonable.

On a motion by Mr. Sisson, seconded by Mr. Mullen, and carried unanimously, each member voting as follows: Mr. Grzeika Aye; Mr. Howard Aye; Mr. Brooks Aye; Mr. Mullen Aye; and Mr. Sisson Aye, the King George County Service Authority Board of Directors approved the budget line item transfer of \$18,000 from the Construction line item to the Engineering line item for the Arnold's Corner Water Storage Tank Project, and authorized the General Manager to execute an engineering change order for that amount for additional painting/welding and foundation inspection services, as presented.

**Discussion Items:**

**General Manager's Report**

Mr. Thomas presented information on the following items of interest:

- **Proposed Regulation Amendments for Ground Water Management Areas:** DEQ is forming a Technical Advisory Committee to review and propose amendments to the existing Regulations. Any proposed changes will be presented for public review and comment.
- **Dahlgren Sewer Pump Station CIP Project:** The public bid opening for this project was held on September 9, 2009. A total of ten bids were received ranging from \$545,040 to \$1,225,200. Draper Aden is currently reviewing the bid documents and will provide a recommendation for award consideration at the October 6, 2009 Board meeting.
- **KGCSA's New Rate Structure:** The utility bills with the new FY2009/10 rates were mailed on September 11, 2009.
- **FY2010/11 Budget Work Session:** KGCSA would like to request a Board work session for the purpose of initiating the FY2010/11 budget process. This work session is intended to be held jointly with the Board of Supervisors regarding the County budget process. **NOTE:** After some discussion, the Board reached a consensus to schedule the budget work session for October 5, 2009 at 5:30 p.m.
- **Update on Service Authority Property:** Staff is currently cleaning up the recently acquired Cook property and should be ready for the field personnel to move in by November 1. The Service Authority administrative staff move will occur shortly after that date.

There being no further business to come before the Board, the Chairman adjourned the meeting to Monday, the 5<sup>th</sup> day of October, 2009 at 5:30 p.m., on a motion by Mr. Sisson, seconded by Mr. Howard, and carried unanimously.