

VIRGINIA:

At a regular meeting of the King George County Service Authority Board of Directors, held on Tuesday, the 7th day of December 2010, at 6:00 p.m. in the Board Room of the Revercomb Building at 10459 Courthouse Drive, King George, Virginia:

PRESENT: Dale W. Sisson, Jr., Chairman
Joseph W. Grzeika, Member
John P. LoBuglio, Member
James F. Mullen, Member
A. Travis Quesenberry, County Administrator
Matthew J. Britton, County Attorney

ABSENT: Cedell Brooks, Jr., Vice-Chairman

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

Mr. Grzeika 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.

Report of Members of the Board

There were no reports from the Board members.

SA-12-01 – Consent Agenda

On a motion by Mr. Grzeika, seconded by Mr. Mullen, and carried unanimously, each member voting as follows: Mr. Sisson Aye; Mr. Grzeika Aye; Mr. LoBuglio Aye; and Mr. Mullen 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 FY10-11 KGCSA Operating Fund in the total amount of \$3,784.51

Authorized the issuance of warrants against the FY10-11 KGCSA Capital Reserve Projects Fund in the total amount of \$2,558.10

SA-12-02 – Report from County Attorney

The County Attorney had no report.

Presentations and Reports

SA-12-03 – Presentation of Audit from Robinson, Farmer Cox

Mr. Andrew Grossnickle of Robinson, Farmer Cox presented the final audit for the Service Authority for fiscal year ended June 30, 2010. He noted that the independent auditors rendered an unqualified/clean opinion on the financial statements and internal controls for the Service Authority. In discussing the net assets of the Service Authority, Mr. Grossnickle explained that the decrease in current portion of long term obligations compared to FY2008-2009 was due to the restructuring refunding transactions that were undertaken during the year.

Mr. Grossnickle also highlighted the two debt refundings that were done by the Service Authority during the fiscal year, and also discussed the issue of a restatement to net assets due to errors in tracking of deferred connection fees balances. He noted that in the Management Letter to the County there were comments and recommendations on controls to be implemented related to those errors. It was his understanding that Mr. Thomas and Ms. Harper were working on corrective actions in implementing those controls.

Action Items:

SA-12-04 – Authorize Single Source Purchase Order for the Purkins Corner WWTP Disc Filter

At its October 19, 2010 meeting, Mr. Thomas informed the Board that significant savings in cost and time could be achieved by direct purchase of the disk filter for the Purkins Corner WWTP, which would eliminate any contractor mark up and expedite the purchase by eliminating submittals and review time. The disk filter has a patented back wash system that provides for more efficient operation and longer filter run times. No other manufacturer can meet the patented backwash specification and therefore deems this a single source purchase. A copy of the letter from the design engineer recommending the single source purchase was provided.

On a motion by Mr. Grzeika, seconded by Mr. Mullen, and carried unanimously, each member voting as follows: Mr. Sisson Aye; Mr. Grzeika Aye; Mr. LoBuglio Aye; and Mr. Mullen Aye, the King George County Service Authority Board of Directors approved and authorized award of a Purchase Order to Aqua-Aerobic Systems, Inc for the single source purchase of the Purkins Corner WWTP disk filter in the amount of \$129,542.00, as presented.

Discussion Items:

SA-12-05 – General Manager’s Report

Mr. Thomas provided the following information to the Board:

- **KGCSA Service Outage and Public Notification Process:** KGCSA conducted a test transmittal of the City Watch Utility Notification data base on November 18, 2010. The system was scheduled to call all of the customer phone numbers on record (3,148 numbers). The system successfully delivered 2,222 messages (70.6%). A copy of the final delivery report was provided to the Board. KGCSA plans to transmit a system-wide KG Alert message notifying customers to register for the KG Alert utility data base and to contact KGCSA with updated telephone contact numbers. KGCSA will begin utilizing both notification systems immediately in the event of any utility emergency or outage. Mr. Grzeika requested that a notation be placed on the water customers’ bills regarding the KG Alert and the need for correct telephone numbers.

- **KGCSA Operations Center:** KGCSA has successfully transferred all operations and personnel to the new Operations Center located at 9207 Kings Highway. KGCSA would like to invite the Board and public to a holiday open house on December 21, 2010 from 3:00 p.m. to 5:00 pm. Hors d'oeuvres, refreshments, and facility tours will be provided.

Mr. Thomas noted the receipt of bids on the rebid of the Oakland Park/Purkins Corner WWTP Project as a result of the value engineering on the project. Six bids were received and ranged from a low of \$960,000 to \$1,502,000. Bids are currently being evaluated and a recommendation will be brought to the Board at the December 21, 2010 meeting.

There being no further business to come before the Board, the Chairman adjourned the meeting on a motion by Mr. Grzeika, seconded by Mr. Mullen, and carried unanimously.