

**Virginia Energy Purchasing Governmental Association  
(VEPGA)**

County Manager's Conference Room  
Henrico County Administration Building  
4301 East Parham Road  
November 1, 2013  
9:30 A.M.

**Approved Minutes**

*Present were board members Steve Sinclair, Fairfax County; David Baker, Fredericksburg Schools; Mike Barancewicz, Loudoun County Schools; Bill Eger, City of Alexandria; Lori Herrick, City of Virginia Beach; Wayne Lassiter, City of Richmond; Rick Raike, Hampton Roads Sanitation District; Tom Reinsel, Fairfax County Schools; Dave Simmons, Gloucester County Schools; Jerry Spivey, City of Norfolk; Mark Tschirhart, York County Schools; and Jerry Walker, Henrico County.*

*Also present were VEPGA member representatives Seth Austin, Chesterfield County Schools; Leo Blades, City of Hampton; James Cook, Westmoreland County Schools; Veronica Meade, City of Hampton; John Morrill, Arlington County; John Ohanian, Metropolitan Washington Airports Authority; Julia Reynolds, Chesterfield County; and Aida Velasquez, Metropolitan Washington Airports Authority.*

*Also present were VEPGA counsel Robb with Christian & Barton and VEPGA Secretary/Treasurer Joe Lerch with the Virginia Municipal League.*

I. Call to Order

*Mr. Sinclair called the meeting to order at 9:35 a.m.*

II. Approval of Minutes of Previous Meeting (8/23/13)

*A motion to approve the minutes from August 23, 2013 meeting was made by Mr. Simmons and seconded by Mr. Lassiter. The motion passed unanimously.*

III. Additions to the Agenda

*There were no additions to the agenda.*

IV. Committee Updates

A. Policies & Procedures Committee

*Mr. Sinclair reported that those members actively commenting on proposed terms and conditions document met on October 25th to go over Dominion Virginia Power's responses to VEPGA's proposed changes. Ms. Robb handed out a chart detailing the committee's responses (dated 10/25/2013) to Dominion's positions. She explained the nature of each item soliciting board reaction.*

*Mr. Walker observed that given all the disagreements listed it appears that negotiations on the terms and conditions are adversarial.*

*In a discussion on 90-day cost estimates Mr. Barancewicz said that sometimes projects are cancelled after 90 days with no notice. Ms. Robb responded that VEPGA we will ask for formal notification of cancellations.*

*In regards to rate comparisons Mr. Barancewicz said that Dominion is only looking at rates 100 and 130 and not analyzing all rates. For example outdoor lighting for ballfields is all electric. Mr. Walker said that VEPGA needs to let members know that rate comparisons are available. Ms. Herrick said that energy managers do not typically get rate comparisons. The rate comparisons are delivered by email from key account manager to whoever they guess is the energy manager. Mr. Barancewicz noted that there is diminishing manpower in Dominion resulting in a reduction of key account staff. It was noted by the board that in regards to rate comparisons Tidewater seemed to be getting less analysis and service compared to the rest of the state.*

*Ms. Robb said that the next meeting to negotiate with Dominion on the terms and agreement is December 2nd. She asked members to send her questions and comments and then she will sit down and discuss them Steve Sinclair. She also noted that after the SCC decision on "line extensions" on November 30th VEPGA will be more informed but still digesting the information.*

*Mr. Baker asked that we look at the procurement act to see if there are any issues. He noted that there is an issue with federal funds related to this. Ms. Robb said she will examine for consistency with Virginia law.*

*There was a brief discussion on the merits of a database to document service issues across the state and by region. Mr. Barancewicz noted the example of the power quality log and asked if it would be possible to create a "construction quality log".*

*Ms. Herrick asked about the provision of interval data. Specifically if other members were okay with the 500kw limit or should it be lower. The consensus of the board was to ask for a lower limit but that most did want to pay for the service.*

*Mr. Sinclair noted that Dominion will file for system-wide smart metering next September with the SCC. Ms. Robb said that there is an expensive and less expensive way for Dominion to accomplish this. Mr. Sinclair said this will likely be discussed for the next contract. Alternatively if VEPGA asks for it in a contract as a re-opener then we would have to pay for it. Ms. Robb said we can ask Dominion about it. Mr. Sinclair said that VEPGA may be asking for a 4-year contract this time. Ms. Herrick said load-shedding is a benefit of smart metering.*

## **B. Energy Efficiency and Conservation**

*Mr. Sinclair reported for Susan Hafeli. The committee held a meeting on October 10th at the VML Insurance Programs office. Rick Raike gave a presentation on HRSD's methane digester combined heat and power project. The digester is currently producing enough to offset \$500,000 annually in electricity costs. Mr. Sinclair asked Mr. Lerch to set up*

*separate web page under EECC to post this and other presentations. Mr. Raike agreed to make the digester available for a tour as part of the VEPGA annual meeting.*

*There was an additional presentation on Thermal Corrosion Solutions' wet suit roofing membrane roof replacement in Fairfax County.*

*Also at the meeting Cliona Rob gave an update on the small solar working group. Potential legislation being discussed by the group include a community net metering bill, Delegate Lopez's RPS bill to carve out for new solar and wind projects in Virginia, and a bill mandating exemption from local tax on solar equipment.*

#### C. Budget & Finance Committee

*Mr. Baker reviewed the financial statements with the board. He also reported that the committee will meet on January 10<sup>th</sup> in Fredericksburg to prepare the budget for the fiscal year starting July 1<sup>st</sup>. Mr. Sinclair asked Ms. Robb to prepare both the legal and consulting budgets and forward to Mr. Lerch in December.*

#### D. Joint Action Committee (JAC)

*Mr. Sinclair noted that there was a meeting in September with the next one scheduled for December 19<sup>th</sup>.*

### V. Legal Update

#### A. Update on SCC activities & Jurisdictional Fuel Factor

*Ms. Robb said that for the biennial review case a decision is expected by November 30<sup>th</sup>. One serious repercussion from the 2013 legislation will be fewer reductions in base rates. In a last minute development in the case Dominion filed a voluntary agreement for a \$9.3 million base rate credit.*

*She also noted that VEPGA will get Dominion's fuel factor offer on December 15<sup>th</sup>. We can expect a final fuel factor in late January/early February.*

#### B. Status of Contract Negotiations with DVP (closed meeting)

*Mr. Baker made a motion seconded by Mr. Walker to enter into a closed meeting under Code of Va. § 2.2-3711(A)(7) to consult with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel. The motion passed unanimously.*

*Mr. Baker made another motion seconded by Mr. Walker to permit non board member VEPGA member representatives to attend, as their presence will reasonably aid the board in its consideration of the bargaining position and negotiating strategy as allowed under Code of Va. § 2.2-3712(F).*

*The board came out of executive session and took a roll call vote to certify that (i) only business matters lawfully exempted from open meeting requirements under these chapters and (ii) only such public business matters as were identified in the motion by which the*

*closed meeting was convened were heard, discussed or considered in the meeting of the public body.*

*Roll Call*

<i>Mr. Baker</i>	<i>Aye</i>
<i>Mr. Barancewicz</i>	<i>Aye</i>
<i>Mr. Eger</i>	<i>Aye</i>
<i>Ms. Herrick</i>	<i>Aye</i>
<i>Mr. Raike</i>	<i>Aye</i>
<i>Mr. Reinsel</i>	<i>Aye</i>
<i>Mr. Simmons</i>	<i>Aye</i>
<i>Mr. Sinclair</i>	<i>Aye</i>
<i>Mr. Tschirhart</i>	<i>Aye</i>
<i>Mr. Walker</i>	<i>Aye</i>

*The board adjourned for lunch at 12:05 a.m.*

*The board reconvened at 12:35 p.m.*

VI. Financial Statements

*These were previously reviewed under item IV C.*

VII. Dates for meetings in 2014

*The board decided to meet on February 7<sup>th</sup>, August 22<sup>nd</sup>, and November 7<sup>th</sup> in 2014.*

VIII. Update on 2014 Annual Meeting

*The Board chose May 8<sup>th</sup> as the date of the annual meeting to be held at the Virginia Beach convention center. The meeting will also include a tour of the HRSD methane digester on the 7<sup>th</sup>. The shuttle will leave the convention center at 2 pm with the tour to begin at 3 pm. Mr. Raike said the tour should take about an hour and can also include a tour of other cost savings measures.*

*Mr. Lerch will arrange for government rates at the same hotel as last year.*

IX. 2014 VCU Energy & Sustainability Conference

*The conference is scheduled for February 13-14. Ms. Robb noted that the brochure and white papers will need to be updated for the VEPGA booth. Mr. Lerch said that Steve Sinclair will be a presenter for the local government track and will speak on the cost savings associated with VEPGA.*

X. Current Roster of VEPGA Members

*Mr. Lerch reported that only Suffolk City Schools has yet to pay the annual assessment.*

XI. Adjournment

*The meeting adjourned at 12:58 pm.*

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Joe Lerch". The signature is fluid and cursive, with a long horizontal stroke at the end.

Joe Lerch  
Secretary