

**Washington County Service Authority Board of Commissioners**  
**June 22, 2015 Recessed Meeting Minutes (held July 27, 2015)**

The June 22, 2015 recessed meeting of the Washington County Service Authority Board of Commissioners was called to order by the Chairman at 5:05 pm.

**ROLL CALL**

Commissioners Present:

Mr. Ken Taylor, Chairman  
Mr. Mark Nelson, Vice Chairman  
Mr. Wayne Campbell  
Mr. Devere Hutchinson  
Mr. Jim McCall  
Mr. Dwain Miller  
Mr. Mike White (arrived at 5:19 pm)

WCSA Staff Present:

Robbie Cornett, General Manager  
Kimberly Boyd, Controller  
Carol Ann Shaffer, Administrative Assistant

General Counsel Present:

Mr. Mark Lawson  
Mrs. Dawn Figueiras

**3. Approval of the Agenda**

Mr. Nelson motioned to approve the Agenda. Mr. Hutchinson seconded the motion and the Board approval voting 6-0-0-1.

Mr. Taylor introduced the new Commissioner, Mr. Wayne Campbell and welcomed him to the Board.

**4. Conflicts of Interest Act Workshop  
– Part 1 – Mr. Mark Osborne and Mrs. Dawn Figueiras**

Mr. Lawson was the first to speak saying, at the May 18, 2015 Board Meeting, WCSA Commissioners agreed upon a policy of sharing their Financial Disclosure Forms with one another and of leaving the room during any matter in which they have a personal interest and are disqualifying themselves. Also at

that meeting, the Board requested legal counsel provide training on the Conflict of Interests Act.

The following information is the first part of the Conflict of Interest (COIA) training, said Mr. Lawson.

Attached with this Presentation are copies of the Virginia Conflict of Interests Act (Va. Code Sec. 2.2-3100 et seq.) and the Ethics in Public Contracting Act (Va. Code Sec. 2.2-4367 et seq.).

The Conflicts of Interest Act covers a lot of ground.

The goal for today's training is to cover the following information:

- What is a "Conflict"?
- What do I do if I think I have a "Conflict"?
- What kinds of things can I do, or must I refrain from doing, if I have a "Conflict"?
- In a future session, we will discuss how to complete the Financial Disclosure Forms, COIA and Ethics in Public Contracting Act provisions on Gifts, Penalties for Non-compliance and other issues.
- If you have any questions, don't hesitate to ask!

**A "Conflict" is really a "Personal Interest" – Mr. Lawson**

- COIA doesn't include the word "conflict" very many times.
- Focus is on a "personal interest."
- Who is included when considering a "personal interest"?
- "Officers" or "Employees" of the governmental entity.
- WCSA Commissioners
- "Immediate Family Members" of officers/employees.
- Includes spouse of Commissioner
- Includes children who reside in same household and are dependent upon Commissioner

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- On Jan. 1, 2016, "child" changes to "other person"

\* Per Va Code Sec. 2.2-3101

Mr. Lawson said although we often use the word "conflict" when thinking about COIA, the word "conflict" only appears in the Act a handful of times other than in the name of the Act.

**How Does a "Personal Interest" Arise? - Mrs. Figueiras**

- 3% or more ownership in a company
- \$5,000 annual income from a company

\* Per Va. Code Sec. 2.2-3101

Mrs. Figueiras continued saying, "personal interest" means a financial benefit or liability accruing to an officer/employee OR an immediate family member.

All the ways of having a "personal interest" relate to either the "3%" threshold or the "\$5,000" threshold:

- 3% ownership in a business personal liabilities/debt of 3% of asset value of a business
- having an option to purchase 3% of a business
- \$5,000 in annual income, whether it is from your ownership in a business, salary, fringe benefits, or any other manner paid by the business NOTE: Any time money from a business makes its way into your family pocketbook, that is "income."
- ownership in property (real or personal) in which your interest is \$5,000 or more in value
- \$5,000 in annual income from ownership in property
- having an option to own property in which your interest is \$5,000 or more in value

Mr. Hutchinson asked if there was any conflict if you have different investments that are handed by a

financial firm and earn more than \$5,000 a year from the investments. Could there be a potential personal conflict with the financial firm?

Mrs. Figueiras asked if the person had ownership in the financial firm or if the firm only handled their investments.

Mr. Hutchinson said the firm handled investments, there was no ownership in the firm.

Mrs. Figueiras said it depends if you own 3% or more in each individual company or if your income stream from each individual company is \$5,000 or more.

Mr. Nelson said the hard part is a mutual fund. If you have a fund with multiple stocks in and if you have a mutual fund with multiple stocks with potential to earn \$5,000 or more from dividends, that could be an issue.

Mr. Lawson said the thing to consider is how likely is it that entity will come before the WCSA Board? Unless these entities will come before this Board, there is nothing to worry about.

Mr. Figueiras said it would be very important later in tonight's discussions to remember which one of these categories led to you "Personal Interest". Some categories mean there is an absolute prohibition and others mean that disqualifying yourself will allow WCSA to still do the transaction /contract.

Mrs. Figueiras gave the following examples:

- Commissioner A worked for 123 Corp. for 30 years and retired with a pension last year. His pension benefit amounts to more than \$5,000 each year. This IS a "personal interest" in 123 Corp.
- Commissioner B worked for 123 Corp. for 15 years and retired last year with no pension. 123 Corp.

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administers his 401(k) benefits and he receives more than \$5,000 each year from his 401(k). This IS NOT a "personal interest" in 123 Corp.

**What Businesses are Included for Purposes of having a "Personal Interest"? - Mr. Lawson**

- Private businesses and governmental agencies

If you are involved with the IDA, Planning Commission or Board of Supervisors you could have a personal interest that would conflict your duties as a WCSA Board Member, said Mr. Lawson.

Or is you are an employee of any of these, said Mrs. Figueiras.

- For-profit and not-for-profit businesses (charities)
- Publicly-traded companies

\*Per Va. Code Sec. 2.2-3101

**"Personal Interest in a Contract" – Mr. Lawson**

- What is a "Contract"?
  - Any agreement to which WCSA is a party
  - Doesn't have to be written!
  - Any agreement involving payment of money on behalf of WCSA
  - Includes subcontracts!
  - Any contract to which any other Washington County agency is a party
- What is specifically defined by COIA as NOT a Contract?
  - If the agreement is with WCSA
  - WCSA is selling items at uniform prices to the general public
  - Newspaper notices
  - A transaction less than \$500
  - Marriage to employee of WCSA
  - If the agreement is with other Washington County agencies

- Contract awarded after competitive process

- Employment contracts

Mr. Lawson explained, once you determine what your "personal interests" are, you have to be aware of any contracts or transactions that involve WCSA and the source of that "personal interest."

He warned the Commissioners to "Beware of subcontracts!" Anytime you see the word "contract" in relation to COIA, you should always also think of "subcontracts." Exceptions are contracts with Washington County agencies other than WCSA.

Mr. Lawson then discussed the following example:

- Commissioner T has a personal interest in SubCo, Inc. SubCo, Inc. is not bidding on a WCSA contract directly. PrimeCo, Inc. is bidding on a WCSA contract. SubCo has a subcontract with Prime Co, that if PrimeCo wins the WCSA contract, SubCo will perform a certain portion of the work. Commissioner T has a "personal interest" in the WCSA contract.

COIA carves out some agreements and says they are "not contracts" for purposes of COIA. This included:

- Notices in local news media. 2.2-3110(A) specifically permits contracts involving the publication of official notices.
- Marriage to WCSA employee raises some other issues. Let us know if that happens!

If the contract is with another part of Washington County (other than WCSA), and the head of that agency makes a written determination that it is not in that agency's best interests to procure the contract using a competitive process, it is permissible for WCSA

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Commissioners to have a personal interest in that contract, explained Mr. Lawson but this is rare.

The COIA Act applies not only to WCSA and businesses or the Board members personally where you may have an interest but to any Washington County agency, stated Mrs. Figueiras.

**"Personal Interest in a Transaction" - Mrs. Figueiras**

Transactions" include MUCH more than "contracts", stated Mrs. Figueiras.

All contracts are transactions, but not all transactions are contracts. She gave the following analogy:

- All screwdrivers are hand tools, but not all hand tools are screwdrivers.

Mr. Lawson said it was helpful for him to think of all the steps that lead to a contract with WCSA, those are steps along the way that lead to the contract.

- What is a "Transaction"?
  - Broader than "contracts"
  - Any matter considered by WCSA on which official action is taken or contemplated.
  - Includes committees, sub-committees, etc.!
  - Examples:
    - Rates
    - Fees
    - Decision to acquire property
    - Policies
- What is specific to Transactions"?
  - "Providing services" to an individual or business

\*Per Va. Code Sec. 2.2-3112

A Commissioner has a "personal interest in a transaction" if he/family member provides services to an individual or business explained Mrs. Figueiras. An example of this is:

- Commissioner S is a CPA, who does the accounting work for a business that wants to contract with WCSA; the Commissioner earns more than

\$5,000 per year from that work. Commissioner S has a "personal interest" in that transaction.

- "Providing services" to an individual or business
- Reasonably foreseeable direct/indirect benefit/detriment

\*Per Va. Code Sec. 2.2-3112

A "reasonably foreseeable direct/indirect benefit/detriment" is realized by a Commissioner when he/family member is expected to be financially impacted by the matter being considered by WCSA, stated Mrs. Figueiras. For example:

- Commissioner D personally loans \$50,000 to XYZ Company; XYZ Co. bids on a contract with WCSA. If the contract was awarded to XYZ Co., the profits could reasonably be expected to impact the ability of XYZ Co. to repay the loan to the Commissioner. If the contract is not awarded to XYZ Co., it will impact the ability to XYZ Co. to repay Commissioner D. Commissioner D has a personal interest in the transaction between XYZ Co. and WCSA.
- Commissioner T has a personal interest in SubCo by virtue of earning more than \$5,000 income. Prime Co has contacted SubCo to get an estimate for a portion of the work to bid on a contract for WCSA. SubCo gave PrimeCo a good price and PrimeCo included that price in its bid but no subcontract has been entered into. It is therefore "reasonably foreseeable" that Commissioner T would directly benefit from this transaction, so he has a "personal interest" in this transaction.

More "Transaction" specific items Mrs. Figueiras discussed were;

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- “Providing services” to an individual or business
- Reasonably foreseeable direct/indirect benefit/detriment
- When looking at a “transaction,” you always have to include parent companies, subsidiaries, and affiliated businesses

\*Per Va. Code Sec. 2.2-3112.

Mrs. Figueiras discussed parent-subsidary relations saying, a parent-subsidary relationship involves direct or indirect ownership of more than 50% control/voting power of the other company.

Affiliated business entity relationship involves one business having a controlling ownership interest in another business, a common controlling owner, or shared management/control between the businesses. Other factors include commingled funds/assets, shared share, shared employees, shared resources, and close working relationships. Mrs. Figueiras gave the following example:

- Commissioner V has a personal interest in Parent Company. Parent Company owns 70% interest in Subsidiary Company. Subsidiary Company is a hardware store. WCSA wants to purchase materials from Subsidiary Company throughout the year, which will total \$2,000. Does Commissioner V have a personal interest in this transaction? Yes.

**What Happens if you Have a “Personal Interest” in a Contract or Transaction with WCSA? - Mr. Lawson**

- Answer:
  - It depends on how that personal interest came about!
  - As discussed earlier, “it will be important to remember which

category your personal interest came from!”

- General rules of thumb:
  - If the personal interest is due to an ownership interest in a business, that business CAN NOT contract with WCSA.
  - If the personal interest is due to your earning more than \$5,000 annual income or owning real estate, disqualifying yourself from participating will probably allow WCSA to enter into the contract or transaction.

\*Per Va. Code Sec. 2.2-3109, -3110, -3112

Mr. Lawson said when determining personal interest, ownership interest in a business has greater bearing than the income stream from a business. The general rule is the ownership interest in a business will produce a situation where WCSA cannot enter into a contract; it would be prohibited contract. Disqualifying yourself, saying you have conflict and identifying it on record has nothing to do with a situation where you own 3% of the business. Ownership of 3% or more in a business will present WCSA with situation where the contract cannot be considered under any circumstances, explained Mr. Lawson.

It (the contract) is prohibited outright, said Mrs. Figueiras.

Examples of a prohibited contract discussed by Mr. Lawson were:

- Commissioner John Doe owns 3% of XYZ Company. WCSA issues an RFP and XYZ Company wants to submit a proposal to WCSA. WCSA can NOT award a contract to XYZ Company. It DOES NOT MATTER whether Commissioner Doe disqualifies himself from considering the contract. The contract is PROHIBITED.

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- BUT, if Commissioner Doe's personal interest in the contract arose because he earns income more than \$5,000 from XYZ Co., and he does not own at least 3% of XYZ Co., then WCSA may award a contract to XYZ Co. if Commissioner Doe disqualifies himself from considering this.

If my wife owned 100% of the CPA business and wanted to do work for WCSA; if there is more than 3% ownership in a business WCSA cannot do business with her company, stated Mr. Nelson. You can disclose your interest and excuse yourself from the room, but makes no difference.

Mr. Lawson said correct; that is a "prohibited company". It is the ownership part not the income stream, stated Mr. Lawson.

Mrs. Figueiras said even if your wife's CPA firm is the only firm in town, WCSA cannot do business with her.

**"Personal Interest in a Contract" – Mr. Lawson**

- Disqualifying yourself from considering the contract in which you have a personal interest will allow WCSA to still enter the contract in these situations:
  - Your personal interest arose because you/your family member earns more than \$5,000 income from that business AND you/your family member does not participate in the contract on the side of the business either.
  - Sale/lease/exchange of real property.

\*Per Va. Code Sec. 2.2-3109, -3110

According to Mr. Lawson, "Does not participate on the side of the business" means that you/your family member cannot be involved at all in the business's contract with WCSA. That

extends to deciding whether to bid on the contract, preparing a bid/proposal, developing estimates for a bid/proposal, signing a bid/proposal, making a presentation to WCSA, talking to anyone at WCSA about the contract, or any other involvement on the part of the business.

Mr. Taylor said what you (Mr. Lawson and Mrs. Figueiras) are saying, if W&L wants to bid on site work, they may do so as long as I have nothing at all to do with the bid and exclude myself.

Mrs. Figueiras said step one is, do you have personal interest in W&L.

Not 3% said Mr. Taylor.

But you do have income, said Mrs. Figueiras.

Mr. Taylor said he did have income.

You meet the \$5,000 income standard for personal interest, said Mrs. Figueiras. How can you prove the \$5,000 comes from that contract asked Mr. Taylor.

Mrs. Figueiras said "No, (the \$5,000 income) not from the contract, from the business. You have a personal interest from W&L. The contracts that are prohibited are based on ownership, stated Mrs. Figueiras.

Mr. Nelson said the ownership percent can disqualify everything period if you have more than 3% ownership in a company.

Mr. Lawson said yes, totally disqualify.

Unless you have 3% or more ownership in a business is where you are really disqualified. If you receive \$5,000 or more benefit from a company you have to be concerned, said Mr. Nelson.

Mr. Lawson said correct.

Generally, disqualifying yourself on both sides will cure that, stated Mrs. Figueiras.

Mr. Nelson thought having a personal conflict due to \$5,000 income from a business would come up more with the

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WCSA Board than would personal interest due to company ownership.

Mr. Hutchinson discussed the following scenario.

Mark is not on the WCSA Board. He bids on a job and is awarded the job. Mark subcontracts that work out to W&L. How does that apply to Commissioner Taylor?

Mrs. Figueiras asked if he had the relationship with the contractor that was awarded the bid before the contract was awarded.

Mr. Taylor said sometimes you do and sometimes you do not.

If you had that relationship with the contractor in advance the contract can stay. If he did not have that relationship in advance, Mr. Taylor must disqualify himself from anything to do with that contract from that point on, said Mrs. Figueiras. When the check register shows a payment to the contractor, disqualify yourself. When a Change Order comes before the Board for approval; disqualify yourself, stated Mrs. Figueiras.

Mr. Nelson said what if you sell you interest of 3% or more in a business, are you prohibited from ever entering into a contract with WCSA because you were once owned 3% or more of said business.

"No, it is at the time of the transaction", stated Mrs. Figueiras.

Say the business is sold or you worked for a company that will be affiliated with WCSA contractually; is there a certain time after you leave the company when you can enter into discussions about that contract, asked Mr. Hutchinson.

Mrs. Figueiras though the provision Mr. Hutchinson spoke of was applicable to state employees only and applies to subsequent employment. It has nothing to do with WCSA, she stated.

Mr. Lawson reviewed the following example:

- Commissioner T earns more than \$5,000 income from ContractorCo. Commissioner T has no ownership interest in ContractorCo. ContractorCo. Wants to bid on a contract with WCSA. If Commissioner T disqualifies himself on the record at WCSA AND Commissioner T doesn't participate on ContractorCo's side, then WCSA is permitted to consider a contract with ContractorCo.
- Commissioner N owns a piece of property that WCSA wants to buy. WCSA can negotiate with Commissioner N to buy the property after Commissioner N disqualifies himself on the record at WCSA.

Extending the example from "What is specific to "Transactions", Mr. Lawson discussed the following example:

- Commissioner V has a personal interest in ParentCo. by reason of earning more than \$5,000 income from ParentCo. ParentCo. Owns 70% interest in Subsidiary Company, a hardware store. WCSA wants to enter into a contract with Subsidiary Company to buy \$10,000 worth of screwdrivers. WCSA may enter into the contract with Subsidiary Company if Commissioner V disqualifies himself AND he does not have anything to do with the contract on behalf of Subsidiary Company.

As a reminder Mr. Lawson review the following points:

- If you have a "personal interest a contract," the following contracts are prohibited for WCSA:
  - Contracts over \$500 with a business in which you own 3% interest or more.

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Mrs. Figueiras mentioned the below example that was mentioned earlier.

- Frank Goodpasture owns Goodpasture Motors and sold thousands of dollars worth of cars to BVU over the past few years. The City Council appointed him to the BVUA Board. That meant that Goodpasture Motors could no longer sell cars to BVUA. Goodpasture turned down/resigned from the Board seat.

Another example discussed was:

- Commissioner B owns a computer company and WCSA wants to buy a new desktop computer that will cost \$750. WCSA can not purchase the computer from Commissioner B's company. It doesn't matter if Commissioner B's computers are better and cheaper than any other computers

**"Personal Interest in a Transaction"**

**- Mrs. Figueiras**

- Disqualifying yourself from considering a transaction in which you have a personal interest will allow WCSA to enter into that transaction.
  - Remember: "transactions" are different from "contracts."
- You don't have to disqualify yourself if:
  - Your personal interest arises due to a party to the transaction being a client of your firm BUT you don't provide services to or represent that client AND you disclose your interest & state that you can be objective;
  - Your personal interest arises due to your membership in a business, profession, occupation or group of 3 or more people, if you disclose your interest & state that you can be objective; or

- The transaction affects all members of the general public equally.

\*Per Va. Code Sec. 2.2-3112.

Mrs. Figueiras discussed the flowing scenarios:

- WCSA is considering a new policy applicable to landlord-tenant situations, which will address who pays the connection fees, whose name the account is in, and who pays the late fees. Commissioner W's wife, Mrs. W., owns a large apartment complex and this new policy will directly impact her earnings from the apartments and/or the value of the apartment complex. WCSA can consider this policy if Commissioner W disqualifies himself on the record at WCSA.
- What if the apartment complex were not owned by Mrs. W, but by XYZ Real Estate Holdings, LLC, and XYZ Holdings is a big client of Commissioner W's CPA firm? If Commissioner W does the accounting work for XYZ Holdings and earns more than \$5,000 from it, then Commissioner W must disqualify himself on the record at WCSA and WCSA can continue to consider the policy.
- What if Commissioner W doesn't do the accounting work for XYZ Holdings himself, but his partner in the CPA firm does? Commissioner W does NOT have to disqualify himself from considering the policy BUT he DOES have to disclose his personal interest in the transaction and state, on the record, that he can be objective in considering the policy.
- You are a member of the Moose Lodge. Under the Moose Lodge structure each member "owns" an



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equal share in the Lodge, including its real property. The Lodge now has 30 members, so you own 3.3% of the Lodge. WCSA wants to obtain an easement across a portion of the Moose Lodge property. You are a member of a group of 3 or more, so you do not have to disqualify yourself when enters this transaction so long as you disclose your personal interest and stat that you can be objective when considering the transaction.

- You are a customer of WCSA for sewer services. WCSA is considering raising its sewer rates. The rate increase is generally applicable, so you do not have to disqualify yourself or make any disclosures.

**“What Happens if you Have a “Personal Interest”? - Mr. Lawson**

- What does it mean to “disqualify” yourself or “not participate”?  
\*Per Va. Code 2.2-3112(A) and - 3115(F)
1. Disclose, on the record, the name/address of the business or property in which you have the personal interest
    - (Verbally in meeting Minutes OR written declaration with Minutes)
    - [Mr. Cornett’s Proposal (see below)??]
  2. Cannot vote
  3. Cannot act on behalf of WCSA
  4. Cannot attend any portion of closed meeting when the matter is discussed
  5. Cannot discuss the matter with ANY other Commissioner or WCSA employee AT ANY TIME

Mr. Lawson discussed the following points of Mr. Cornett’s proposal in more detail:

1. Mr. Cornett’s proposal for discussion: at the beginning of every Board meeting after the agenda is approved, the Chair can ask each Commissioner to declare any personal interests in that night’s agenda items.
  - o Example: Chairman: “For purposes of complying with the Conflict of Interests Act, I now ask each Commissioner to certify, based on the material included in the agenda packet for tonight’s meeting, whether to the best of his knowledge, he has a personal interest in any of the agenda items. Mr. X? (aye/nay), Mr. Y (aye/nay). “If any Commissioner does have a personal interest, this would be the time to make the disclosure, and then at the time of the agenda item, that Commissioner could state that he is disqualifying himself and leave the room. This would also be a time when anyone else (staff, legal counsel, other Commissioners) could bring up any suspected conflicts if the Commissioner doesn’t raise them himself.
3. “Act on behalf of WCSA” examples: sign Resolution if chair/secretary, sign contract for WCSA, let the contractor know they will be awarded the contract, etc.
- 5 You can’t talk to them at anytime, anywhere. No phone calls. No hallway discussions. No parking lot discussions. You may have something really important to say, or know something that you think would be critical to WCSA making a decision on this, but you CANNOT talk to anyone about it. If you do,

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WCSA cannot enter into the contract without risking it being voided. And you could suffer the personal consequences (which we will discuss in another training session).

Acting on Behalf of WCSA; as discussed in point 3; is separate from voting. If you were serving as Chairman or Secretary for WCSA and normally sign resolutions or minutes, for example, if you have a conflict, you should not sign; the next officer in line should sign instead, stated Mrs. Figueiras.

Mr. Lawson said ideally, if you have the slightest question whether you have a conflict, please run it by us (Mr. Lawson and or Mrs. Figueiras).

**Disqualifications & Quorum – Mrs. Figueiras**

What about a quorum?

- If disqualifications leave less than 4 Commissioners able to act, then the remaining members constitute a quorum, and a majority of that quorum can act.
- If you are disqualified from a transaction on the WCSA side, you can still represent yourself or your family member (but NOT a business) IF you are not compensated AND you make the disclosures.

\*Per Va. Code Sec. 2.2-3112(c); Attorney General Opinion 14-076, 2015 WL 629334 (2015).

- Board of 7
  - 4 disqualified; statute applies because only 3 are left able to act
    - Quorum is 3
      - Majority vote (2 votes) can make a decision
  - IF: 3 disqualified & 1 absent (does not apply because 4 are left)
    - Quorum = 4, so you can't take any action

- 3 disqualified and other 4 are present (does not apply because 4 are left)

- Quorum is 4, so you can act
  - Majority vote to make a decision = 4 votes required

**More on Subcontract Issues – Mr. Lawson**

Mr. Lawson discussed the following scenarios:

- Commissioner N earns more than \$5,000 from Subcontractor, Inc. Subcontractor, Inc. enters into a subcontract with General, Inc. that will be in effect if General, Inc. wins a certain contract from WCSA. Is that okay?
  - Can WCSA enter that contract with General, Inc.? YES. What must Commissioner N do? Disqualify himself and not participate on either side (WCSA or Subcontractor, Inc.).
- What if Commissioner N owned more than 3% of Subcontractor, Inc.?
  - WCSA could NOT contract with General, Inc. Disqualification will not cure it.
- What if Subcontractor, Inc. had given the lowest quote to General, Inc. prior to General bidding on the WCSA contract, but not subcontract existed yet? Could WCSA award the contract to General if Commissioner N's personal interest was due to earning more than \$5,000 from Subcontractor, Inc.?
  - YES, but only if Commissioner N disqualifies himself. Why? There is a "reasonably foreseeable direct/indirect benefit" to Commissioner N if WCSA awards the contract to General.

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- What if General did not seek quotes in advance, but after WCSA awarded the contract, then General and Subcontractor want to enter into a subcontract for the WCSA job? Is that okay?
  - YES. What must Commissioner N do? Disqualify himself from any future action that must be taken regarding the WCSA contract with General. Examples: approval of change orders/payments, etc.

**Ethics in Public Contracting – Mrs. Figueiras**

- Separate from COIA; part of VPPA (2.2-4367 et seq.)
  - Applies to Commissioners and to any employee of WCSA with any authority involving procurement of goods or services.
  - Includes a broader range of “immediate family” than COIA includes.
  - Va. Code Sec. 2.2-4368, “Immediate family” means a spouse, children, parents, brothers and sisters [even those who do not live with you], and any other person living in the same household as you.
  - **Anyone involved in preparing RFPs/IFBs is prohibited from submitting bids/proposals OR disclosing any information not publicly available.**
  - Even if it is not a “personal interest” under COIA, a family member’s relationship with a business could require you to disqualify yourself from participating in a procurement decision.

This Act only applies to “procurement of goods and services.”

It has an expanded definition of “immediate family” members that make a conflict attributable to you!

If you learn “insider information” as part of your work with WCSA, you can not disclose that information to anyone outside of WCSA and you can’t use that information for your own benefit or for the benefit of your family/company, explained Mrs. Figueiras.

Mrs. Figueiras referred to the following examples:

- Commissioner X’s brother is a vice president of TennesseeCo., located in Chattanooga, TN. TennesseeCo. is bidding on a WCSA contract. Even though Commissioner X would not have a “personal interest” under the definition of COIA, he would have to disqualify himself from participating in the decision to award this contract.
- Further example: Commissioner X’s brother does not yet work for TennesseeCo. But if TennesseeCo wins the WCSA contract it will have to hire an additional 50 employees, including Commissioner X’s brother. If Commissioner X knows about the prospective employment of his brother, then Commissioner X must disqualify himself from participating in the decision on this contract. (If Commissioner X does not know, he can’t be held liable for it.)

**5. Adjourn**

Mr. Miller made a motion to adjourn. Mr. Hutchinson seconded and the Board approved with a 7-0-0-0 vote.



Mr. Ken Taylor, Chairman



Carol Ann Shaffer, Assistant Secretary