

**ACTION ITEM  
BOARD OF SUPERVISORS**

**DATE** October 21, 2008

**TO** Board of Supervisors

**FROM** Ron Billingsley *RB.*  
Director Public Services

**ISSUE** Authorize the County Administrator to Execute a Contract with Columbia Gas

**STAFF RECOMMENDATION.** Approval

**BUDGET IMPACT** N/A

**ATTACHMENTS** (2)

[1] Background Report [2] Reso/Ord/Proc # R08-490

[ ] [ ] Reso/Ord/Proc #

[ ] [ ] Reso/Ord/Proc #

**REVIEW:** [X] County Administrator's Office *[Signature]*

[X] Legal *[Signature: Alvin A. Roberts]*

[X] Budget *[Signature: Collins]*

[X] Finance *[Signature: Marie Penick]*

- [X] Consent Agenda [ ] Other Business [ ] Public Hearing
- [ ] Discussion Item [ ] Presentation [ ] Unfinished Business
- [ ] New Business

**PRESENTATION BY** N/A

**ELECTION DISTRICT** N/A

**BACKGROUND REPORT**

Columbia Gas of Virginia is offering a "Government Account Program Fixed Rate Agreement" for local governments. Under this contract, Columbia Gas agrees to sell natural gas to the County at a fixed price for either a one (1) year or three (3) year period. Pricing is set at the current market rate when the agreement is signed. Once the price is set, the County has 24 hours to execute the agreement at the specified price.

During the length of the agreement, the County's price for natural gas will not change. Whether the price of natural gas goes up or down, the agreement price stays the same.

Currently, the County pays approximately \$170,000 per year for natural gas, which includes all County facilities, excluding schools.

Having a fixed rate for the price of gas will assist in the budgeting process by maintaining a set price. Columbia Gas of Virginia is currently the sole provider of natural gas in the County. The County has nine (9) public facilities that use natural gas:

Gymnastics Center  
500 Nelms Circle

Berea F & R Station 12  
20 Sebring Drive

Woodlands Pool  
2 Northampton Blvd

Stafford F & R Station 2  
1170 Courthouse Road

John M. Porter Library  
2001 Parkway Blvd

Stafford County Government Center  
1300 Courthouse Road

Office Building  
405 Chatham Office Park

Public Safety Complex  
1225 Courthouse Road

Stafford Volunteer Rescue Squad #1  
2147 Jefferson Davis Hwy

Due to the short timeframe to lock in a gas price and execute the agreement, staff is requesting that the County Administrator be authorized to sign the agreement to be effective for a one-year period. A contract would be executed only if it is determined to be financially advantageous to the County.

Staff recommends approval of proposed Resolution R08-490.

PROPOSED

BOARD OF SUPERVISORS  
COUNTY OF STAFFORD  
STAFFORD, VIRGINIA

RESOLUTION

At a regular meeting of the Stafford County Board of Supervisors (the Board) held in the Board Chambers, Stafford County Administration Center, Stafford, Virginia, on the 21<sup>st</sup> day of October, 2008

MEMBERS

VOTE

George H Schwartz, Chairman  
M S "Joe" Brito, Vice Chairman  
Harry E Crisp II  
Mark Dudenhefer  
Paul V Milde III  
Cord A Sterling  
Robert "Bob" Woodson

On motion of , seconded by , which carried by a vote of , the following was adopted

A RESOLUTION TO AUTHORIZE THE COUNTY ADMINISTRATOR  
TO EXECUTE A CONTRACT WITH COLUMBIA GAS

WHEREAS, Stafford County is eligible to enroll in the Government Account Fixed Rate Agreement with Columbia Gas of Virginia, and

WHEREAS, the County can lock into a fixed-rate at the current market rate for one (1) year, and

WHEREAS, a contract must be signed within a twenty-four hour period of the price quote,

NOW, THEREFORE, BE IT RESOLVED by the Stafford County Board of Supervisors on this the 21<sup>st</sup> day of October 2008, that the County Administrator be and hereby is authorized to execute a contract with Columbia Gas of Virginia for a one-year period

AJR RLB ww b