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Regular Meeting, Wednesday, August 13, 2014, 7:00 p.m. Government Center, Verona, VA.

PRESENT: Larry J. Wills, Chairman  
Michael L. Shull, Vice-Chairman  
Carolyn S. Bragg  
David A. Karaffa  
Jeffrey A. Moore  
Marshall W. Pattie  
Tracy C. Pyles, Jr.  
Timmy Fitzgerald, Director of Community Development  
Patrick J. Morgan, County Attorney  
Patrick J. Coffield, County Administrator  
Rita R. Austin, CMC, Executive Secretary

VIRGINIA: At a regular meeting of the Augusta County Board of Supervisors held on Wednesday, August 13, 2014, at 7:00 p.m., at the Government Center, Verona, Virginia, and in the 239<sup>th</sup> year of the Commonwealth....

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Chairman Wills welcomed the citizens present.

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Carolyn S. Bragg, Supervisor for South River District, led us with the Pledge of Allegiance.

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Tracy C. Pyles, Jr., Supervisor for the Pastures District, delivered invocation.

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Chairman Wills explained to the citizens the County's exiting procedures in case of an emergency. He also explained the rules for tonight's meeting. Dominion will be giving a presentation. Questions that have been submitted by citizens will be asked and answered by Dominion representatives. If the public has a question that has not been answered tonight, Chairman Wills will ask at the appropriate time that they hold their hand up so that staff can provide them a piece of paper to submit the question to Dominion for a response. During that process, Board Members will be given the opportunity to ask questions of Dominion. At the end of the Board's questions, those additional public questions will be asked. After the completion of this discussion, there will be a five-minute recess before completing tonight's meeting.

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DOMINION TRANSMISSION, INC. (VIRGINIA POWER) – SPECIAL PRESENTATION

The Board received a presentation regarding a proposed natural gas pipeline project through Augusta County.

Emmett Toms, Dominion External Affairs Manager, introduced Chet Wade, Vice President of Corporate Communications.

Mr. Wade introduced the Dominion Transmissions Subsidiary Team who would assist in answering tonight's questions: Jonell Carver, Manager-Engineering Projects; Bill Scarpinato, Manager-Environmental; Bill Scarpinato, Manager-Environmental; Ramona Kanouff, Senior Land Agent; Brittany Moody, Engineer III; Greg Park, Supervisor-Gas Transmission

He provided a PowerPoint presentation highlighting the Southeast Reliability Project. He mentioned that increasing the availability of natural gas supplies from West Virginia to Virginia and North Carolina was important to the economy and environment of the region. It could mean more jobs, lower prices to heat and power homes and businesses, and cleaner air.

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DOMINION TRANSMISSION, INC. (VIRGINIA POWER) – SPECIAL PRESENTATION (cont'd)

- Dominion's Core Values: Safety; Ethics; Excellence; and One Dominion
- Dominion ranked second as "Most Admired Company". It was noted that Dominion ranked first in: 1) People management; 2) use of corporate assets; 3) quality of management; 4) financial soundness and 5) long-term investment.
- Valued Corporate Citizen – ranked 71 among 1000 companies; five straight years in top 100. Criteria: environment, climate change, employee relations, human rights, corporate governance, philanthropy, financial. It was noted that they ranked number 1 in corporate governance.
- Chart indicated "Cleaner Air in Virginia" – improving emissions at Dominion Virginia Power - Mr. Wade noted that when burned, natural gas produces significantly lower emissions than coal, including just half the carbon.
- Project Need – The pipeline would provide:
  - Improved supply of natural gas for utilities looking to meet new EPA clean air regulations and use natural gas to generate electricity rather than other fuels
  - Local distribution companies searching for new, less expensive supplies of natural gas for its residential and commercial customers
  - And industries looking to build or expand their operations
- Pipeline would start in southern West Virginia and run through to North Carolina. It would be built to fulfill the energy needs of those states and Virginia, not for export.

Emmett Toms, finished the presentation with the following high-lights:

- Project details:
  - Length: approximately 550 miles
  - Pipe: 42-inch diameter in West Virginia and Virginia; 20-inch lateral to Hampton Roads; 36-inch diameter in North Carolina
  - Capacity: 1.5 billion cubic feet/day
  - Three compressor station locations: 1) West Virginia (near beginning of route); 2) Central Virginia; and 3) Near Virginia/North Carolina state line
- Route: The final pipeline route has not been selected. Dominion is conducting surveys and will determine the best route based on landowner input and an assessment of environmental, historic and cultural impacts.
- Potential benefits: 1) property tax revenues; 2) Near-term employment opportunities; 3) Economic activity for local businesses during construction and operation; and 4) Economic development activity potential
- Regulatory process and expected timeline: The Federal Energy Regulatory Commission (FERC) is the lead agency. If Dominion decides to move forward with the proposed project:
  - Survey/route planning: May – December 2014
  - FERC Pre-filing Request: Fall 2014
  - FERC Application: Summer 2015
  - FERC Certificate: Summer 2016
  - Construction: 2017-2018
  - In-service: Late 2018
- Public participation:
  - Survey notification letters to landowners within the 400-foot study area: Mid-May 2014
  - Local officials informed about surveying letters: May-June 2014
  - Meetings with Boards of Commissioners/Supervisors and municipal governments: August-September 2014
  - Open Houses: 2014-2016
  - Construction: 2017-2018
  - In-service: Late 2018

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DOMINION TRANSMISSION, INC. (VIRGINIA POWER) – SPECIAL PRESENTATION (cont'd)

- Dominion in Augusta County:
  - Community Involvement \$50,000+
    - Blue Ridge Area Food Bank
    - Augusta Regional Free Clinic
    - Blue Ridge Community College Educational Foundation
    - Virginia Chapter American Fisheries Society
    - Woodrow Wilson Rehabilitation Center Foundation
    - Greater Augusta Regional Chamber of Commerce
    - Augusta Health
    - Wilson Memorial High School
    - Fort Defiance High School Envirothon Team
    - Waynesboro Outdoor Education Pavilion on South River
    - Sherando Lake University Accessible Fishing Pier
  - Dominion in Augusta County:
    - Pipeline within County: 42.7 miles; 201 parcels; surveying to start late August

During the presentation, it was noted that Dominion has notified landowners along a 400-foot wide study corridor. Preliminary survey work and route planning is underway. The purpose of the survey is to determine the best route with the least impact on natural, cultural and historical resources. Dominion has to do four types of surveys (Civil; Environmental; Cultural and Historical), generally using up to 10-12 people at a time. ATVs will not be used in the process. Dominion recently rerouted its project from a previous location through the George Washington National Forest to avoid disturbing natural resources (endangered habitats and species). If the decision is made to move ahead with the project, Dominion must obtain approval from FERC. This Federal Agency will coordinate with other federal and state agencies to address land, air, water, noise, species, economic impacts and other issues. "Streams and river crossings are the most regulated things in the State. Sediment and erosion control is a big concern on the project." The proposed pipeline would be designed, constructed, operated and maintained in accordance with FERC and U.S. Department of Transportation standards and guidelines for safety. All federal, state and local permits and right-of-way access will be obtained prior to starting pipeline construction.

It was mentioned that people could farm over right-of-ways and, during surveys with landowners, it could be determined if a line needed to be buried deeper to accommodate the activity on farms. Mr. Toms stated, "You cannot build on the right-of-way, though. The process is to buy an easement for use, not ownership, which will remain with the owner. The best route has not been determined. That's why we're working with the landowners." It was noted that, during construction, the right-of-way will be 125 feet wide. The permanent easement would be 75 feet wide. The pipe would be buried about 9-10 feet deep. Mr. Toms added that eminent domain could not be used until Dominion gets a permit. "The company has been able to get voluntary agreements from landowners 95 percent of the time."

Mr. Toms said that Dominion has not yet decided to move forward. The response from potential natural gas customers has been very strong. The company expects to make a decision within 60 days. They will contact all landowners, advertise in the local media and invite government to a series of public meetings on the project. The first meeting will be held at the Government Center on September 15<sup>th</sup>, at 4:00 p.m. to 8:00 p.m.

Dominion services 18,000 homes in this area and about 2.4 million in the state, and operates 7,800 miles of natural gas pipelines. The nearest compression station would be in Buckingham County, not in Augusta County.

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DOMINION TRANSMISSION, INC. (VIRGINIA POWER) – SPECIAL PRESENTATION (cont'd)

Additional information could be obtained through the website or e-mail: [www.dom.com/SEpipeline](http://www.dom.com/SEpipeline) or [SEpipeline@dom.com](mailto:SEpipeline@dom.com).

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DOMINION TRANSMISSION, INC. (VIRGINIA POWER) – SPECIAL PRESENTATION (cont'd)

CITIZENS' QUESTIONS AND ANSWERS

- Q: Augusta County has some unique type of geology, particularly, with Karst geology and lots of rock. Will you be doing blasting and then what other efforts are you taking to prevent pipeline cracks and failures in the future because of the rock formations?
- A: Basically, we will use Track excavators with a hydraulic hammer on it to try to pound the rock away. If we get any consolidated rock, we will blast; will use standards for blasting. We're not going to be blasting horizontally; we'll be going vertically and we are only going to the 10-foot depth. We have prescribed standards to get us to that technique. With respect to the Karst, we understand that there is definitely a potential to encounter. All we have right now is our GIS data that we have been able to obtain through various data-base services. Obviously, when we get on the ground, we will evaluate it and avoid these types of geological formations when we encounter them. The reasons being, it will not be the best suitable for construction and is why we wouldn't want to build over in Karst areas.  
(another Dominion staff response) Bill is mainly referring to sinkholes and possible settlement. We don't want to put our pipe in that situation. If it is something that we can see upfront, we're going to move around it. It is a construction issue and a maintenance life-cycle issue of the pipeline.
- Q: Involving the County's Comprehensive Plan in future land use, will the pipeline be such that it will not interfere with development of property? In other words, are you going to try to stay in your property lines, or work with owners such that the property will not be subdivided in a way that reduces the saleability of it down the road; or the usability of it down the road?
- A: We will maintain our 75-foot right-of-way and try to center the pipe in that right-of-way. Outside of that right-of-way, the landowner will do whatever.
- Q: As far as your right-of-way, will you try to honor staying closer to property lines and such?
- A: We want to be away from buildings and those kind of things; so, we're going to try to do that. As you know, what happens, both on gas and electric transmission lines, is that a developer comes along and he puts the house right up against that right-of-way and then it is there as close as it can be; we see that and one thing that precipitates as well is you'll probably get some active requests for a subdivision proposal because they think the land value goes up. If it is zoned Agriculture, now, you may see a couple of subdivision plats come to them because he knows we're in negotiation with him on the kind of property we're crossing and so we've seen that happen a lot of times. Our position is we're trying to avoid structures and stay away from that because we don't want to be close to property.
- Q: And you will work with our staff in terms of determining areas where we're talking about Industrial Development and things of this nature?
- A: I think your question is are we going to bisect the properties on the layout? We'll definitely try to work and try to square up with property lines and not try to bisect the properties if it is possible. Terrain and other features let us do that.
- Q: If a property is bisected, can a waterline or something like this, be laid above your line across the easement?
- A: Yes. Typically, it would go underneath of us, but it depends on how deep we will be and how deep that they would need to be to maintain grade.
- Q: But they can if needed?
- A: They have encroachment process just like the County Service Authority would have.

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DOMINION TRANSMISSION, INC. (VIRGINIA POWER) – SPECIAL PRESENTATION (cont'd)

CITIZENS' QUESTIONS AND ANSWERS (cont'd)

- Q: Another question is the potential water issues in terms of having the integrity of the pipeline preventing leaks. What do you all do as far as checking for acid corrosion and things like this? How do you work with that down the road to make sure our water supplies are not polluted?
- A: We, 100%, x-ray all of our wells and we hydraulically test our pipeline. The entire pipeline will be hydrostatically tested. We also have constant inspections after it goes in-service.
- Q: I think you have mentioned that the ultimate customers are people in Virginia. Dominion is the one paying for the cost of the pipeline.
- A: Well, we may, depending on our agreements, we can't give you all the information, yet, but there may be some other opportunities in our agreements that we intend to own and operate the pipeline. It could go into North Carolina, as we mentioned; so it would not, necessarily all be Virginia customers. Some of them may be North Carolina customers.
- Q: What additional burdens may be placed on our Emergency Services during construction and that the pipeline is in the ground because of safety concerns? Basically, what can we expect as far as additional needs from our Emergency Services during and after construction because of safety?
- A: During construction, the contractor will be bringing on staff. It is a large contractor, probably one of the biggest one in the country. Typically, they'll have their own first medic response team that actually will take care of small incidents (cut fingers, small broken bones, etc.) and then, if we have an incident during construction, typically, my staff will have safety on board with the inspection staff from the company and, also, from the contractor side. We engage the EMS local service depending on what district or area we're working in and have a plan upfront in how we're going to address more serious situations, whether it be life-like zones, trench, cave-ins, types of things like that, major equipment accidents. We try to inform you guys as far as the local EMS on what we're used to seeing from other jobs. Once the line goes in-service, typically, my staff will go away and then we would our operations side what actually come onboard at that point. We have some other people who probably could speak a little better, but I'll take a stab at it. We actually engage the public. We have public awareness for safety. (another Dominion staff's response) Once the pipeline goes in-service, the Department of Transportation requires that we have yearly meetings with your Emergency Response crews, not only Law Enforcement, but all your Emergency Response, your Fire Departments and ALL of your Emergency Services. We even go as far as we will do mock emergency drills in certain areas. We have to have an Emergency Response Plan in place for the pipeline and that will all be established when it once goes in-service and we will have to review that at extensive links with your local services.
- Q: Obviously, with last year's pipeline explosion out in West Virginia, there is concern over Dominion's liability and how that is handled. Insurance, if there is a problem like this, does it cover the tremendous expenses that might occur?
- A: Our first job is to make sure that doesn't happen, obviously. If it were to happen, then Dominion would take responsibility. Dominion self-insures. We are a company large enough to do that. We have what is called market capitalization. Our worth in the stock market is about \$40 billion. We would be responsible and we would stand behind it.
- Q: Road issues – Because of the heavy equipment and everything, you're talking about being used in the construction and this type of thing, and you're into areas, particularly in the rural areas, where these roads aren't the best, anyway; what do you all do to make sure that the roads are back into the same quality of roads that they were when you started your work?
- A: We'll have to comply with the VDOT heavy-haul permits and we'll coordinate with that and we want to make the road as good, or better, when we leave. In particular, we'll probably improve some access roads for some property owners, or whatever. If you have taken a look on what we've done on the electric transmission line, we've improved a lot of access roads. We will be working with VDOT on getting the haul-permits to do what we need to do to get heavy equipment in. We will be working with landowners to get through their properties; so there may be some construction on access roads that we have to do, but our intent is to leave it in better shape than we started. (another Dominion staff's response) Just to add to that a little more, we do video the roads before we go on them and then, also, afterwards. We have them all bonded and then we pay to make repairs as necessary.
- Q: In the future, if natural gas would falls out of favor, as much as coal has right now, would you abandon the pipeline, or, what happens with the pipeline at that point?

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DOMINION TRANSMISSION, INC. (VIRGINIA POWER) – SPECIAL PRESENTATION (cont'd)

CITIZENS' QUESTIONS AND ANSWERS (cont'd)

- A: I'm aware of pipelines that have been in service in Virginia for 80 years and are still going strong. This natural gas supply from these sources is –abundant is such a small word to describe how much supply is available. We see nothing on the horizon that is going to reduce the demand for natural gas. As I said, in terms of electric production, that seems to be the way the Nation is headed. Renewables can't possibly take the place of them anytime soon. Other industrial needs, for example, that lateral that runs towards Norfolk and Virginia Beach, obviously, that serves areas such as all the naval and military bases in the Newport News ship building yards, large users of energy, so we wouldn't foresee that happening. We would be signing also long-term contracts so, even if we don't move gas, people need to pay for that pipeline.
- Q: You've answered this before, but just to reiterate, none of this gas will be exported through this pipeline?
- A: That is correct. I think some people misinterpreted the fact that is going to Norfolk and the Virginia Beach area. There are no natural gas export projects proposed for that area. It is a significant undertaking. Rarely, does anybody actually propose doing it once they have an import terminal there already. There is no import terminal there. They may have heard that the Dominion terminal, that is something that we don't own, and it is actually a coal terminal, not ours at all. This is all to be used domestically.
- Q: One of the property owners, and this is on the original route, was talking about the line that appeared to bisect is an 80-acre farm. He wanted to know if roads could be built across the easement.
- A: Certainly; that's things that we can work with him on and actually put the pipeline down a little deeper and build the bridge stronger right there at the road crossing. We will be repaired to replace fences to do crossings, or whatever. We predominantly like fences to go perpendicular to the line, or either parallel to the outside, but don't split the right-of-way. We will certainly work with him to make crossings and do those kind of things. The more we know upfront in talking to the landowner, the better we can design that into our plan. After the fact, if you come in and need logging and getting into a tract of timber, we'll have an 800 number that they will need to contact us if they're going to get heavy equipment on there and it hasn't been designed for that. We can certainly do bridging across there on a temporary basis. That's done all the time with contractors, road builders, loggers and those kind of things.
- Q: You have stated the pipeline will not be above-ground anywhere in the County?
- A: The only place it would be above-ground is if you took a tap off and created a compressor state or a reduction in metering station to sell gas. There will be some valves along the way for safety requirements. They have prescribed this since it is based on the population density. So there could be a gate-valve stem with a chain-link fence around the area that could be above-ground; but the predominant pipeline is all underground. If you gave a delivery point to Columbia somewhere then they would have to build a metering and recording station there that could be above-ground, kind of like mini-sub-station, if you will.
- Q: Several residents have submitted questions in regard to liability for wells and stuff in areas where you blast.
- A: That will be part of our permit. As I indicated, we will have to survey the wells before and after. We are obligated to have a source of water to the property as good as it was beforehand. That is part of the process. That will be in the permit. If there are some stream crossings and those kind of things, we will have to work with the farmer. If he has cattle that have to be isolated for a few days, we will have to provide water to do those kind of things. Those are things that we will have to work out on individual basis. On a long-term basis, we have to leave the water supply as good as it was before.
- Q: I think the concern there is the well, itself, and if for some reason blasting created a difference in the amount of water coming out of the well or closes the well off entirely or something in that nature.
- A: That is something we work on case-by-case basis. (another Dominion staff's response) With respect to the wells, it is a FERC requirement that all wells within 150 feet of disturbed area, not just the pipeline right-of-way, that is the access roads, any pipe yards, that would be needed for construction, would need to be evaluated/tested and we would do the testing and evaluate each well on a case-by-case basis. If there was a drop-off in quality, we would have to address when we discovered it.

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DOMINION TRANSMISSION, INC. (VIRGINIA POWER) – SPECIAL PRESENTATION (cont'd)

CITIZENS' QUESTIONS AND ANSWERS (cont'd)

Q: Mr. Marshall asked if that data would be shared with the landowner.

A: It would.

Q: You have mentioned that you all have monitored on a regular basis to make sure there are no leaks or whatever and deal with it. Do you have a way of catching any leaks or any problems immediately?

A: Are you talking about the gas pipeline?

Q: The concern here becomes quality of any air-quality and water-quality in event of a leak.

A: If a leak is identified during a pipeline patrol, it is immediately addressed. If we suspect a leak, it's immediately dug up and if we do suspect that there is a leak, then it would be immediately blown down replaced. That's immediately addressed.

Q: You're talking about conservation easements, and you say you try to avoid them. What happens if you cannot avoid them?

A: We just have to work with the provision in the easement and the landowner and the holder of the easement to see if there are opportunities there that we can work through it. The first choice is to try to avoid it.

Q: Ag-Forestal districts in our area that are not under conservation easements; any special deals there?

A: Well, we would like to avoid that if we can go through there and there is no impact. Sometimes some of the open land, even in Ag-Forestal districts are probably a better place to have it than cutting timber; so, there are times when Ag-Forestal districts have been an opportunity to go through, but we would like to try to work with the landowner of the district to see what is the best option. (another Dominion staff's response) Avoidance is our first choice, but, also, the area that we are going to study is going to be our corridor and we're going to study them for wetlands as well as streams and crossings, culture resources. As we're going through the wetland delineation, we will identify habitat for sensitive species and then we will decide, based on that habitat and other information that we get from the State agencies US Fish and Wildlife and whatnot, whether or not we need to do species specific studies. Those will occur on an as-needed basis to evaluate the appropriateness for the crossing. And if any mitigations are required, than we will have to be doing that mitigation as a result of the studies.

Q: Will you be encouraging or doing hydro-fracking along the line?

A: Hydro-fracking is a different process. We will not be encouraging that. Hydro-fracking is a liquid gas combination that will have to be a process in plan before it can happen. It is a dry-gas operated with a 50 p.s.i. so there will have to be a considerable investment made to even get fracking gas into a line like this so we don't see it promoting fracking anywhere along the line. (another Dominion staff's response) First of all, given the amount of resources available to the North, West Virginia, Pennsylvania, Ohio, it would take a considerable find of Virginia to make that economic. I think that if in the map that I did show about the pipeline showed the only natural gas producing areas in Virginia right now are in the far southwest part of the State. Virginia is a very minor natural gas producer. I think that is what they're referring to. Then you would need to not only find natural gas, drill the wells, but install this huge infrastructure that would have to go to get the gas to this pipeline to process it to get it up to the pressure that needs to be put into the line.

Q: Do you have any history in knowing how the pipeline potentially affects real estate values in the areas of the pipeline, both where it is located and the surrounding immediate area?

A: Probably the best history is your tax records. If you asked your appraisers, did they discount land that the pipelines are on, the answer is probably going to be no. There is some compensation for it for the one-time easement, but there is no real proportional discount. If it is in a subdivision, yes. If it takes up a whole lot, it will devalue the lot and that is part of the easement payment. But on a general rule, opened land is still appraised at the dollar value per acre. There may be some discount for non-use of the right-of-way, but that is all taken into conversation and the negotiation. On a tax basis, that is what your local tax assessor would do. You would have to ask that question. I think he would be better to answer that than I would. An answer from us is that we have not seen a big deprecation in that.

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DOMINION TRANSMISSION, INC. (VIRGINIA POWER) – SPECIAL PRESENTATION (cont'd)

CITIZENS' QUESTIONS AND ANSWERS (cont'd)

- Q: In terms to extensive wildlife habitat and educational purposes, areas that would be detrimentally affected. I think you work with to make sure that you do not detrimentally affect it.
- A: Correct. And we will be regulated on all of that. That's what some of the avoidance will be. We found areas, already, in George Washington National Forest that some of the re-routing process we're doing. We will definitely try to work with the habitat, the environmental and re-locate where possible.
- Q: Are you putting your research funds towards solar and other energy sources as well as natural gas for the environment?
- A: Dominion already owns parts of two wind farms. This year we invested in it will approach 250 megawatts of your solar projects along with other projects here in Virginia. We've announced large rooftop solar, community solar, kinds of projects. Offshore wind—our project in the Chesapeake Bay is perhaps as far advanced as any offshore wind project in the United States. We are looking at investing in start-up companies elsewhere around the country looking for new technology. We clearly are looking at those as new alternative solutions. As we, and I think every other state, sees that it is still not to the point where given people want electricity 24-7, 365 days a year, at an affordable price. It is just not going to take over for a need for baseload like we do with other sources of energy.
- Q: If the pipeline were not approved, does that mean that you will be transporting gas through our area in trucks?
- A: No. Natural gases, for large volumes, are not efficiently transported by truck or by train. It really does need to be moved on land by pipelines.

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At this time, I am going to ask staff if anyone has additional questions that you would like asked, if you would hold up your hands, staff will bring you a piece of paper that you can write that question down on. While that is happening, this will occur both here and in the other room, and while that is happening, I will turn it over to our Board to ask additional questions that they might have.

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DOMINION TRANSMISSION, INC. (VIRGINIA POWER) – SPECIAL PRESENTATION (cont'd)

BOARD'S QUESTIONS AND ANSWERS

Mr. Karaffa:

First of all, I have gotten some of the information about this and one of the biggest parts that makes me uncomfortable is you guys are a four-profit company; yet, you have the right of eminent domain and I'll ask a question about that in a minute, but along with that, our local government has no power or authority to approve or alter your plan as far as I understand our abilities.

- Q: How will this pipeline directly benefit our County? From what I understand, you haven't negotiated something with Columbia Gas. We have areas of this County where we're trying to promote economic development. From what I understand, you guys are looking to ship this stuff straight to North Carolina. My question is how does that benefit Augusta County?
- A: We still have opportunities in Virginia to utilize this. If you heard Chet talk about basically the electricity will benefit residents of Virginia. We have built three gas power plants which will be a potential opportunity off of this line. It benefits you through your electric rates. The second part of that question, dealing with the economic development, we're kind of the chicken and the egg. We haven't talked to Columbia because that is a smaller distribution asset off of this line. Basically, to build the line, we need



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DOMINION TRANSMISSION, INC. (VIRGINIA POWER) – SPECIAL PRESENTATION (cont'd)

BOARD'S QUESTIONS AND ANSWERS (cont'd)

to be able to sell the capacity with a pretty good premium to get a return to do that, so we're looking at bigger suppliers. On a local distribution basis, it could be an opportunity if you get an economic development customer in here, you would have a better potential of helping Augusta County than if you did not have a gas line if you were looking for those kind of customers.

Mr. Karaffa's response: You say it's small business, but Augusta County is pretty big. A lot of us pay Columbia Gas for our service.

Q: I'm looking at your new line and I do have some concerns. It comes dangerously close to the Stuarts Draft water wells where most of the water in that area comes from. I'm the Chairman of the Service Authority and I know in the Stuarts Draft area we always like to know what is going on with our water sources. Our water source in Stuarts Draft is precious. My question is you're talking about blasting; you're talking about potentials. There was an explosion in West Virginia. I have real concerns about how close that is going to come to Stuarts Draft that won't just affect a couple of property owners. That will affect almost a quarter of our County. What are you going to do to make sure you stay clear of it?

A: That will be a part of our geological evaluation. Again, the construction process is not going to take it more than 10 feet deep so that's part of the process there. Blasting will not be that big of an explosive charge (another Dominion staff's response concerning ecological questions). As part of the FERC process, we're going to be required to do an extensive evaluation as part of the resource reports, which is a large volume of information analysis that will be conducted as part of our application that we submit to FERC. We will have to evaluate all water resources within the 150-foot of the right-of-way and if we do come, indeed, that close to those assets, we're going to have to evaluate those. That's a requirement by FERC and we are going to have to address any potential impacts to their satisfaction. There will be ample time in that process for public comment and back-and-forth as far as comments on the amoeba process which will be part of the FERC process as well.

Q: My comment is there is a large area that that represents underground and an accident doesn't just affect 150 feet away from the pipeline area. An accident could seriously impact a huge element of manufacturing that we have in Stuarts Draft—a lot of jobs, a lot of big business—that we depend on. Where this line is, you guys don't have the details yet, and I wish you did. Also, the second line comes dangerously close to the Stuarts Draft School Complex. We have an elementary school, middle school and a high school right there. How far are you guys supposed to be away from those?

A: I don't recall exactly how far away we are from the right now. There are different restrictions and different rules as far as how far we are to be. We do try to extend that distance. We will make sure that we are not closer than what is required. I don't know what the distances are. We will look into that for you.

Mr. Karaffa's response: I would like to have an answer for that.

It's not miles. Miles is not a requirement so it would not be miles.

Q: Another concern that has come up—I did get a call from a local citizen . . . you're saying you're not doing surveying right now in Augusta County on private land. One concern I have is you said you were going to send a letter to speak to our citizens. How will you be greeting our citizens when you come to their land?

A: Basically, we have a contractor calling to do land assessments that are professional land surveyors. We hired those folks; we will send out the letters. These land agencies are contract employees working for us that will be making personal contacts with the landowners. They will be scheduling times to meet; giving them notices, for example, if they want 48-hours' notice before we come on. We will be doing those kind of things. It will be a personal contact whether it be by phone or visit to the site. That's how they are implementing their process.

Q: After you receive your certification from FERC, and through your certificate, you get permission to put your line, how far can you deviate from that line before you have to through a new process? How far can you deviate from that drawing?

A: We can't move the line any more than 10 feet without filing a variance. If we file a variance, landowner permission and approval is required. We do not have eminent domain rights with a variance.

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DOMINION TRANSMISSION, INC. (VIRGINIA POWER) – SPECIAL PRESENTATION (cont'd)

BOARD'S QUESTIONS AND ANSWERS (cont'd)

Mr. Karaffa:

The only other comment that I would like to make is I was concerned and a little embarrassed when the first community meeting with our citizens was scheduled for the exact night that we were holding an official meeting. I know there are members of this Board that would have liked to have attended not only to hear the citizens and their concerns and their questions, but also to hear the feedback. I would hope in the future that that would be taken into consideration before you establish a meeting.

Mr. Toms said that tonight's meeting is the first community meeting. The meeting Mr. Karaffa spoke about was not Dominion's meeting. "We've had other folks schedule meetings and got misinformation out there and this is one of the reasons for having this meeting with you guys. This is our first public meeting. We really had a lot of confidentiality that we were trying to get done before we came out so we could tell you more. There have been several meetings that have not been Dominion meetings and they have gotten a lot of press."

\* \* \*

Mr. Moore:

First, I would like to thank you and your people for being here. I think good information is at least a foundation of this project.

Q: My questions really compare to what the line we already have—the Columbia gas line and just sort of trying to get a comparison of how that would be to what the Columbia gas line is. How long has that line been in the ground?

A: It's been in 81 years.

Q: It's 24 inches; is that right?

A: Correct. Over a narrow right-of-way, they have a 50-foot right-of-way. If you visually look at it, it is the same visual picture. It goes right through several subdivisions. Subdivisions are built right up against it. That is generally the way land has been developed.

Q: That line is not near 750 p.s.i.; is it?

A: 600

Q: You gave us some dimensions on the diameter and how deep and everything; how thick is the wall of the pipe in terms of comparison to what has been in the ground?

A: It is close to ¾ inch. (another Dominion staff's response) Right now, I've done some preliminary design on it and it is depending on the number of houses and people and the area that we are in. We apply larger safety factors for more people, more population. The thinnest wall will be 600 p.s.i. and then we've got 720 and 864.

Q: How does that compare to what Columbia has? Do you have any idea? What I'm leading up to is that on the Service Authority we hear 'we have pipe in the ground that has been there 50 years and we're having to—if Columbia gas line has been there 81 years, what is your projected life for the pipe in the ground?

A: I don't know what theirs is. We are designing our pipeline for a maximum allowable operating pressure of 1440. Our wall thickness will be much higher than Columbia's. Also, we put a cathartic protection system on our pipeline to keep the steel from leaving the pipeline to maintain the wall thickness. It is rather durable.

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DOMINION TRANSMISSION, INC. (VIRGINIA POWER) – SPECIAL PRESENTATION (cont'd)

BOARD'S QUESTIONS AND ANSWERS (cont'd)

Q: Do you have a design life?

A: Well, I can sell you some lines in Arizona are 100 years. It's kind of a safety factor of 25 years, but, obviously, saying Columbia has gotten 81 years out of it.

Mr. Shull made the following comment:

As a follow-up on the Columbia Gas there, I know the line has been there for 81 years but they did go back and replace that line in the late 70's or 80's and it was a 2-foot line and they put in a 3-foot line. That line has not been there for the whole 80 years. If you have any concerns with deterioration on it, the line is newer than 80 years.

Mr. Toms' response:

That's part of the testing process. We are required to do a 7-year test on some of these that will be surveillance on those. Today's technology has cameras and what is called pigs that they will into line to do surveillance and checks on those lines. The US Department of Transportation requires a minimal test on those lines so, you'll be doing that, plus the aerial and foot patrols on the line looking for leakage during the process of normal operation. When the times comes, the line will be replaced as needed or whatever. That's a good point. That line is in good shape. They have done a replacement on it.

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Ms. Bragg:

Q: When you planned this second alternative route, did you look at our County Comp Plan; did you put any consideration at all that you're going through a highly residential area; you're looking at potential industrial growth? It seems an odd place to put it.

A: As we keep discussing, the reason for that re-route was to avoid the management prescription areas in the George Washington National Forest and, also, a crossing of the Blue Ridge Parkway that was good for the Blue Ridge Parkway folks. What we did was we got where we needed to be with the George Washington National Forest and we did the best we could to avoid towns and to take terrain and topography into place to get back to where we needed to be for the Blue Ridge Parkway crossing as well.

Ms. Bragg's response:

Well, now, you're going right through the middle of the town, so I'm not sure what you all were looking at. I appreciate the fact about the mountains and the federal part of it, but, again, we have residents going through here and it's their property that is being affected. I would hope that a lot of consideration would be put into our Comprehensive Plan where we see development and where we see future growth and how that is going to affect that. We're not developing in the National Forest and that would not be impacting our revenue. That is something that I would like to see and make sure that that was really being considered as you went through. Looking at this, it went through our schools; it went through residential areas; it went through industrial areas; and that is a big place in our County. I hope that you go back and seriously consider that and look at the impact on all the residents at that point.

Again, I point out his water issues. The western part of our County does not have the same number of underground of water systems. The eastern part of this part of where you're going has a lot of water sources/systems underneath. You mentioned 150 feet. Just like Mr. Karaffa said, it may affect here, but the way our water system is, it could

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DOMINION TRANSMISSION, INC. (VIRGINIA POWER) – SPECIAL PRESENTATION (cont'd)

BOARD'S QUESTIONS AND ANSWERS (cont'd)

affect much further away from 150 feet. That is very much a concern because of the way the water flows. I know you haven't addressed that or looked at it, but it is going to be more than 150 feet. That needs to be in consideration.

Q: Talking about any special needs of the property owner, you had mentioned that if you wanted to go in, for example, to log later on and you had to come back in and make a special effort. Whose expense would that become? Is that something that the property owners would have to come in to shore up the access over the line or is it at your expense?

A: Typically, if we know of it upfront, we'll take care of it in the process if we can bridge and do things in agricultural land. If there is a contractor involved, for example, putting in a crossing, or whatever, there would be a process just like your water service authority would do if you had to do a similar crossing on logging, we would work with the individual who is asking for the permit whether it be the landowner or contractor, or whatever, and there would be some expense costs for doing it at a later date. If somebody is logging and it is not the landowner, you would work with the logger, but whoever is needing the right-of-way would have to cover expenses on that.

Q: You also mentioned about the potential use of local employees. Is that going to be local employees, or is it going to be people you bring in?

A: We're hiring a general contractor who will bring in his skilled craft. If there are excavators, he may subcontract to those guys. The loggers, that may clear some right-of-way, reseed and reclaiming may be local excavators. There is potential. We encourage them to try to use local employment. They are a national company. They'll come here with their main supervisor crews and operators. (another Dominion staff's response) Typically, the contractors we hire for this size of project would be a union contractor. It would all be union work. The way it generally works in the industry with pipeline is that they can only bring in 50% of their people from other areas. The rest of the 50% would have to come from the local union areas. The U.S. is broken up in different locals. Virginia has its own local for operators; for laborers; and for teamsters. Once they meet 50% from travelling, there will 50% local from the local union halls.

Q: You're talking about tapping in with localities; is that the potential to have that here locally? Originally, we were told that it's going right on through and there's not tapping.

A: That's going to be an economic case-by-case decision. It's like anything else, tap onto your main waterline, it's got to be justified. Just in your authority, you don't give everybody a single residential tap, so this will have to be a reducing station based to reduce your pressure down to be used at a local level, you will have to build some infrastructure and there is going to have to be some economics on the sized customer or the number of customers. For example, if Columbia wants to redistribute in Stuarts Draft, they have a volume of customers. If just one customer wants it for a farmhouse that is not served gas, today, it's not going to be economical to do that.

Q. But there is a potential to do that?

A. There's potential.

Ms. Bragg's response:

I'll just reiterate one more time, this needs to be considered and evaluated as it relates to County's Comp Plan.

\* \* \*

Mr. Shull:

Q: Out on our farms when it's all said and done, there's the new fences to be put back up?

A: New gates, new roads. We'll put it back and even have to do some temporary fencing during construction. Those kind of things and, maybe, even some temporary water and needs—those kind of things. We'll make it back so we want to get through and maintain it. That will be the process. We'll work the landowners. We may relocate some fences; may relocate some fields temporarily and then

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BOARD'S QUESTIONS AND ANSWERS (cont'd)

have to put them back. That will be the process.

Q: Through the County here, with the Columbia gas line, how far west of the line is their service area? Does it cover the entire County, or is there opportunity for you to have distribution in the western part outside of that area?

A: Well, for the first part—how big is Columbia's franchise? I don't know, Mike, the exact franchise, but they are franchised in this area, whether it's just Stuarts Draft, Waynesboro, and Staunton. We can have to find that information for you. Secondly, we're not going to be in the distribution business. We are basically the wholesale transmitter and we would go to the local distribution company, which could be Columbia or, for example, the Town of Harrisonburg and the Town of Charlottesville has their own gas and municipal could be in the distribution service. Our intent, basically, is the wholesale major pipeline on this. We're not looking to get into the local distribution business.

Q: But if it would be a community like a Town or something that you would want to have potential sales for houses and things there, that would be an option?

A: Yes, if they can justify the economics of making the transition to step that down. That's a possibility (another Dominion staff's response). With respect to your Comprehensive Plan, we would be very interested if you had global GIS data that we could get our hands on. That would be very useful. We would like to be able to evaluate that.

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Mr. Pattie:

Q: Can you give us the maps of your current Dominion pipelines?

A: Yes.

Q: We talked about the compensation for landowners of loss of springs or damage of wells. What does the courts require before Dominion pays compensation for that?

A: Well, we try not to get into that situation. The thing is, like I said, we measure wells and springs and document what is near there. If they are outside; you know, we're a corporate citizen and has been there 100 years and we're certainly going to try to work with landowners to make it feasible. We don't want to mitigate or do away with anybody's water. There's a water source, whether it's cattle, domestic water, we'll certainly work with them to get them a comparable source.

Q: Can you provide statistics on eminent domain when you've used it in the past?

A: Well, as indicated on our gas pipeline projects, we've had about 95% success rate in negotiating with landowners. Somewhere in the 4-5% range.

Q: The Virginia Stormwater Management Plan specifically exempts construction in gas transmission easements. What will you be doing to adjust those?

A: We'll be under DEQ and we will also honor local. (another Dominion staff's response asked that the question be repeated).

Q: The Virginia Stormwater Management Plan specifically exempts construction in gas transmission lines.

A: The program moves from a couple different agencies. DEQ just transferred over to local municipalities recently. We will obtaining all local permits that are required. As a general rule, we will still work with DEQ on stormwater management. All the erosion sediment control measures that are required will be put in place. We'll be doing a continuing monitoring of the construction right-of-way and all other affected areas to ensure we don't have sediment being released on the worksite into any waterway which would still a violation of the law if we did so and we will have to make sure that we comply during all phases of construction and restoration and operation.

Q: Why not use some of the right-of-ways that already exist? There is another gas line; there's roads; there's other right-of-ways that you could double up on.

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BOARD'S QUESTIONS AND ANSWERS (cont'd)

- A: Are you talking about co-location issues with the transmission line (another Dominion staff's response)? We did evaluate all co-location opportunities as we were routing our proposed study area. In some cases, we were able to do so. This particular route does have large areas where co-location is just not an option. Also, there are times where co-location with an electric transmission line and a gas transmission line does not work because gas transmission lines need to follow a topography much differently than an electric transmission line that can span through terrain differently than a natural gas pipeline would be required to do. But we absolutely, when possible, do try to look for co-location opportunities. It's in our best interest and I believe the project's best interest to do so.
- Q: We talked about real estate values. Are there any studies out there that show before and after effects of real estate in areas such that you've done in the last 10 years or so?
- A: I'm Ramona Kanouff. I work in the Land Department. I've worked on hundreds of miles, if not 1,000 miles, of pipeline construction projects. I have worked with property owners that are actually real estate company owners, appraisers, etc. I have kept in touch with some of those and what they have told me is that during the actual construction, when the construction is visible, there is a very short time where they have seen any concern when it comes for purchasing homes in the area. They said, once the grass grew and it was covered up, there wasn't even any question by potential buyers. They really couldn't tell me whether there was any adverse impact on land values because the time-frame was so short. (Toms' response) I think that's another comparison you want to look at your local assessment. You go through Stuarts Draft. Mr. Moore mentioned he lived next to a gas pipeline. You look at the value of the house on this side of the street and that side of the street and I don't think you'll find very much difference. That's generally been the trend after construction is over.

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Mr. Pyles made the following statement:

Mr. Toms, you're a fine man. I've met you several times and I hope after our exchange we'll still be friends. What I'm filtering out here tonight is wondering why they're here. Why do they have to show up for this? Why have things happened in their homes and in their fields that they have no say on? They thought these folks up here to do something about it. They thought the people in Richmond to protect them. They thought they elected people in the Federal government to protect them. But for this instance, there is no protection. Whenever we asked you what about this; what about that; 'we'll take care of it'. It's not going to happen. You would like to have a neutral arbitrator; somebody who has the backs of these people to look at these things. When you're taking it away from us, you're taking it away from the grassroots of people we're supposed to look after. The legislature has put it on us for land management and protecting our water. And we have to pay for it. We pay for it in taxes; we pay for it in fees that we charge for Augusta County Service Authority; we pay for it in loss of value in land because you say, 'You can't do certain things in certain areas because it is near our water source.' We've done all these things. We take away people's rights on the rivers, you know. If you want to go through a river, you have to go through five layers of government that says, 'You can move that lot from here to there'. Been through it all. All these regulations hamper the folks that have this much possible problem as what a gas line can do through our community. We have no say about it. It is interesting that the people at George Washington National Forest—folks there says, 'Oops, this is a problem; go someplace else; you need to move it around'. Why don't we have that same opportunity? Why shouldn't we have it?

What I want to get here first is how this happened, politically and decisions that your company has made. In 2004, these folks lost their rights to keep people off their land with Richmond legislature passing the law that you guys could go on if you asked; even if they said no, they could still go on. If you're voluntarily not doing it, when push comes to shove, you're going to come on in. I'm betting it. I would like to see what you said the people in Richmond justifies that legislation. What it was that caused Steve Landes to say, 'These folks out here don't need to have those rights. I don't care about their rights.' Ben Cline to say, 'These people's rights don't matter.' I want to see what you said to them. What PowerPoints you had; what are the documents that support them. And I would like to see contributions of Dominion and all your subsidiaries and all the gas lobbies that are out spent on our legislature, our executive office holders and on elections between the period of July 1<sup>st</sup> 2003 through December 31<sup>st</sup> 2004. Let's see how much money went to these guys. I don't think this is going too far field given what is going on Richmond right now. A fellow that was like a model of upstanding was

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DOMINION TRANSMISSION, INC. (VIRGINIA POWER) – SPECIAL PRESENTATION (cont'd)

BOARD'S QUESTIONS AND ANSWERS (cont'd)

just sponge-bobbed. Thought he could get whatever he could get and sell it; the good name in value of Virginia for trinkets. I don't know what has motivated people to do things. If I could look at how much money was spent and what you told them and how we came up with this decision, I'll have something to go on. The second thing has to do—it's been a good answer that none of this gas will be exported. What about Cove-Point? You had an importing facility bringing in natural gas from other places to help with the needs. Now, you've got approval to build a \$3.8 billion exporting natural gas facility to take the gas that comes about the size of a beach ball to a distance to the size of a ping pong ball, put it on ships 34 million gallons of lng per ship and going to export it. You can do 5.2 million tons per annum. If you weren't exporting 5.2 million tons per annum, wouldn't there be enough gas to take care of us? You are going to change the nature of the market. You can't say on your website, 'You'll see how surplus gas shipped through the existing Cove-Point terminal could help beat the global demand for clean energy.' You're going to meet their demand at the risk of our supply. What I read was a 241 page report that FERC did on environmental assessment for Cove-Point export. One of the thing that is interesting, it said, 'We don't have to talk about pipelines; they already have it'. What they didn't think about was, when you take their supply out, other supplies have to be built. Other pipelines have to be built. Somebody already paid for that pipeline, bringing the gas in when it gets imported from Qatar or Venezuela and be distributed throughout the United States. Now, we're taking the same lines that we're sending gas up. We're bringing gas in and exporting it. This is a fungible commodity. You have so much; you're buying it here; you're selling it there. This pipeline is not being used for it, but you're exporting a major amount of natural gas and that is impacting the overall market and it is impacting our supply. I think when you're saying, you're not exporting that, that's fine; that's right; but you are exporting a lot of gas through \$3.8 billion and then you're going to pay \$4 million to run this pipeline. Who's paying for that? We already pay for infrastructure. The exporters aren't going to pay for the infrastructure. The electric payers are going to pay for it. When I look at this, there's \$8 billion for those two things—this pipeline and Cove-Point building--\$8 billion that the electric company has invested and doesn't bring electric. It just moves gas around. It think that is something that is a big mess. We wouldn't have to come through our lands that we don't want to come through if you didn't need to do that.

I look at some of these things, you know, you're saying what a good corporate citizen you are--\$50,000? If every customer just paid \$100 a month and it was 18,000 customers, that would be \$21 million—that's .0023%. I look at things that concern me. Like you're saying, 'This farmer, I'm going to negotiate with you, now. What's the size of the tractor you need?' Okay, well, you know the average age of the farmer in Augusta County is about 58. He's probably only going to farm until he is 106. At some point, he is going to pass on. Is he going to tell the next guy that you can't get a bigger tractor? Or is he just going to see it out there and go for it? I don't see that. When you said these gas lines are so safe, I thought it was. You have a legion of staff! I got this! (pointed to his computer) When I put in pipeline disruptions, you press the thing—Zoom! Zoom! Zoom! Page after page of problems. And it comes from a number of things. One of them is people don't know where the gas line is. Maybe, they'll be able to tell it every time. Maybe, they'll take a chance and do that. Sink holes, what was it the Corvette Museum about three months ago. I bet when they built the museum there, they checked down below and thought it was okay. It ate several Corvettes; it just fell right down in it. Those things happen. We have those sinkholes here. It happens in our roads. If a sinkholes comes, and that line breaks, it's problems for us—lots of problems. Service Authority, we regulate the notice of tremors that come over here. Middle Virginia was the last year or the year before, earthquake. When we have an earthquake here and that thing disrupts our water supply, is Dominion going to say, 'We got your back'? Or are they going to say it was an act of God and we're not going to take care of it? I don't know. Those things come up.

Finally, if you're going to build a hydro-electric water source, you put it on the water. You know, you build a dam on the water where the source is. Why not build a power supply in West Virginia and transmit the electric instead of taking the gas and moving it across all this territory to other power supplies? One of the big concerns in this country right now is how fragile our electric grid is; how venerable it is to failure and collapse and all that. You're supposed to have done something in June; I suspect you did what you were going to do to fix that. What if you built the power plant in Charleston, West Virginia, and you re-did your electric grid, it would cost less money and kill two birds with one stone. What I'm saying is, it is too bad you guys have used legislature to fix things in your behalf instead of working with the citizens to begin with. And it's too bad the legislature took our authority away from us.

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DOMINION TRANSMISSION, INC. (VIRGINIA POWER) – SPECIAL PRESENTATION (cont'd)

BOARD'S QUESTIONS AND ANSWERS (cont'd)

- A: Supervisor Pyles, I appreciate your passion and your interest. I would just like to go over a few points with you quickly in no particular order. You talked about our Cove-Point project. If you look at the pipeline maps, and I presume that you have, you can see that those two projects are not connected. That one project is designed to bring natural gas into Virginia and North Carolina; the other one is designed—we have customers from India and Japan, who are ultimately paid for all of that infrastructure through their contracts and bring money into the United States and help the trade balance; help the global economy; help the global environment; and certainly, help with International Affairs. All of those are strong benefits that come out of that project.
- Q: The gas that you are importing.
- A: We are not importing anymore.
- Q: You were importing it. You had the ability to import. You stopped importing and you started exporting.
- A: Our customers stopped importing because the market changed. All this in the United States went from needing that.
- Q: Okay; but you still have those pipelines in the ground that was taking gas off of tankers, putting them in the pipeline and distributing to customers. Right?
- A: That's how it used to work.
- Q: You can't still use those pipelines to distribute gas back to them?
- A: They don't go to here. If you look at that pipeline, it runs in Maryland and then runs to Pennsylvania.
- Q: All of these things intersect, don't they?
- A: Right; but, ultimately, you do need to get the gas to where it's needed. Those two pipelines are entirely different projects and not related at all. You addressed tremors, and we did have the largest earthquake reported in Virginia history several years ago. To my knowledge, no problems were recorded in this Commonwealth with any of the natural gas infrastructure.

You talked about us being good corporate citizen, and I just want to remind you, that what I said earlier was that, in the last five years, Dominion had contributed \$100 million and our employees had invested more than 1 million hours of their own time in being volunteers. I wouldn't doubt that there are many volunteers in this County who are Dominion employees. Every year, we honor about a dozen Volunteers of the Year. I've been with Dominion for fourteen years; I keep thinking we'll run out of Volunteers of the Year; we never do. Terrific people! I'm very proud of the people at Dominion.

You talked about putting the power plants in West Virginia. I'm assuming you studied the electric grid. You know that that would not allow the electric stability that you need for the power grid. You really do need to locate some of those plants closer to where the demand is and that is why that gas does need to move.

Thank you very much. I appreciate your interest and I would be happy to talk to you about it.

- Q: Would you provide information on the legislature?
- A: Dominion has been a founder and a supporter and a funder of the Virginia Public Access Project. All of that information is available on the internet thanks, in part, to the money Dominion contributes.
- Q: There's what they report and if you look at what Bob McDonnell did, were there some dinners and stuff. Does everything have to go on the report?
- A: We fully report. We report in more detail probably than almost anyone.

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DOMINION TRANSMISSION, INC. (VIRGINIA POWER) – SPECIAL PRESENTATION (cont'd)

CITIZENS' QUESTIONS AND ANSWERS (cont'd)

Q: Can you explain what "constant inspections" mean? Your information stated that you constantly inspect your lines.

A: Once the pipeline goes into operation, we are required by the Department of Transportation. We have numerous inspections that we do continuously throughout the life of the pipeline. We physically walk the pipeline. We do manual patrols. We will also fly the pipeline with an aerial leak patrol study. As I discussed earlier, there will also be external inspections. We have a pipeline integrity department that is in-place that is constantly monitoring the integrity of the pipeline. We do smart pig runs on the pipeline that is evaluating the wall of our pipeline and the integrity of our pipeline that is making sure that the integrity is intact and that there is no wall degradation and that the coating is in place.

Mr. Karaffa asked:

Q: Where did that process break down in the explosion of West Virginia?

A: That was not a Dominion pipeline. That actually, from what I understand and I don't have the full report or full study. The pipeline crosses under the Interstate through a conduit and there is a seal that is in place and there was a short there that was missed for many years evidently.

Q: But they're under the same regulatory requirements that you all are and they passed those regulatory inspections, I'm assuming.

A: And somebody did not do the proper inspections.

Q: Well, we're worried about that in the County.

A: That's correct, but I'm not that pipeline company. I cannot speak for them.

Q: Would Dominion be agreeable to parallel water monitoring? That is, local agencies or private monitoring to go along side of Dominion's monitoring?

A: We're going to be our monitoring, as required by FERC. If there was a request and somebody would want to take side-by-side sampling, I don't see why we would object to that. All of our results public. They'll be through certified labs showing all of the results that were done by a lab that has accredited in the State that the sample is taken. While it is possible, I don't believe it is necessary because we will be sending our samples to a certified lab.

Q: A lab other than that owned by Dominion?

A: Correct.

Q: How will the pipeline be identified and marked on land?

A: Basically, as you saw; the bush hogged right-of-way will be an obvious indicator. There will be markers, as you saw in one of the pictures along the way, similar to what you see, now, the gas lines is through this community. They have the fiber markers along the route and part of any excavation in Virginia, the law is to call Miss Utilities, so that should be done before any excavation is done. That's what local contractors are held to in the State. It will be a visual and a marker along the right-of-way with a number to call and contact.

Q: Noting that the diameter of most of the other pipelines are less, why does this one need to be 42 inches?

A: That's based on the market capacity and the gas that needs to be moved. That's what the demand is. Basically, the lines that we showed you on the Virginia map earlier are over capacity right now. There, in essence, there is not enough capacity in the current pipeline to get gas to where it is needed. We're going more and more natural gas, as we talked about. Based on the market study, 42 inches is a viable opportunity for us.

Q: A follow-up to one that I had before, and you'll need to answer it. How often is each foot of the pipeline inspected? Do you have something inside the pipe, which runs through there, cameras and stuff, for inspection?

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DOMINION TRANSMISSION, INC. (VIRGINIA POWER) – SPECIAL PRESENTATION (cont'd)

CITIZENS' QUESTIONS AND ANSWERS (cont'd)

A: Our smart pig tools are run once every seven years, but, depending on our class locations; if a high-consequence area is identified, it may be run more often than that. I just want to, also, follow-up back to the question about the pipeline incident in Charleston, West Virginia. Something that Dominion has also taken into consideration, based on that, we no longer put pipelines through conduits because of that. I just wanted to make sure that everybody understands that that is no longer a practice followed in our industry.

Q: If some were to engage in hydraulic fracturing in George Washington National Forest, would you allow them to use the pipelines particularly for gas?

A: That's a question we've had before several places. Everybody's worried about this pipeline being the conduit for bringing fracking into the George Washington National Forest. I think the Forest Service would have to answer that question. I'm not in a position, here, to answer that, but, in reality, gathering the fracking gas as we indicated as a small lower-pressure gas usually with liquids in it, so there would have to be a major investment in a cleaning and processing plant before it could be put into this line and I don't see one of those going into George Washington National Forest, but that is something the Forest Service would regulate. I'm not going to be able to speak on their behalf. That is my view.

Mr. Karaffa's response:

Q: But, how about, on your behalf? You have to have an agreement. One of the points you guys were talking about caring about the environment and not destroying natural resources; so, if the George Washington National Forest was identified for some reason for a place for hydro-fracking, would that violate your ethics in some way to allow them to connect there in the George Washington National Forest?

A: It's going to have to be a decision of whether it could be processed in the Forest. That's an open-ended question and I don't know if we can answer it for you (another Dominion staff's response). I would agree with Emmett that we wouldn't have any control over whether they do or do not drill in National Forests. We don't drill for natural gas and oil. That's not our business. This pipeline will have a limited capacity. What happens with the way this business works is that a pipeline operator builds it and sells capacity to individuals much like a railroad would sell capacity. Then, once that capacity is sold out, there is no more room. If all of a sudden someone somehow miraculously started drilling in the National Forest and just said, 'Hey, put my gas in your line,' and there's no more room, there's no more room.

Q: But, if there is room, that's okay?

A: Then they would have to have all the other facilities. Again, it would be all those other things would have to happen. Could I tell you it's absolutely—absolutely-absolutely impossible? I couldn't tell you that. But I wouldn't be putting much money on it.

Q: Somebody is going to frack where they have access to a pipeline to move their product. If you have a policy in place that protects the environment, and you say, 'If it's coming out of a treasure like the George Washington National Forest, then that violates our ethics in term of the environment and we would not allow collection to our pipeline?

A: I think it goes back with the National Forest to allow it.

Q: If it goes back to if the Federal government would allow it, then that's a trust factor that doesn't exist. The question is how dedicated are you guys to protecting that national resource?

A: What we balance every day is that our customers depend on us for reliability; they depend on us for affordability; they depend on us for being responsible in how we do our jobs; and they depend on us for safety. We balance that every day. That's the best we can do. That's the best I think anyone can do.

Q: When and how many leaks have you had in existing pipeline currently in operations in Virginia?

A: We will get that information for you. We have a small amount of pipeline in Virginia, but we will get that information.

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August 13, 2014, at 7:00 p.m.

DOMINION TRANSMISSION, INC. (VIRGINIA POWER) – SPECIAL PRESENTATION (cont'd)

CITIZENS' QUESTIONS AND ANSWERS (cont'd)

- Q: You mentioned hydrostatic pressure-testing the line; where will the water come from to perform the hydrostatic pressure test? How much is required?
- A: I cannot state the exact volume. We will analyze the pipeline as a whole, and we will test it in sections depending on terrain, the required pressure that needs to be tested to and we will reuse the water from section-to-section, but our plan is withdraw it from streams along the pipeline (another Dominion staff's response). Also, just so that everybody understands it, this is a permitted regulated process of where we can withdraw and then eventually discharge the water. It will be oversight by Virginia DEQ and we will not just be able to pull the water wherever we want; we will have to get an approved permit to withdraw it and then approved permit to discharge it and it will be tested before discharge for oil and grease as well as dissolved solids and PH before it is released into the environment.
- Q: Who protects the landowners' interests and easement negotiations to ensure that the landowner gets a fair market value?
- A: The landowner would be responsible to negotiate on his own behalf or someone that they would appoint for them. What we do, is we've already looked at market values of various types of properties in the area, and the compensation that we would offer the property owner is based on the fair market value of their specific type of property. In addition, we will be doing appraisals of selective properties.
- Q: What is the expected lifespan of pipeline and what long-term maintenance is required at what intervals?
- A: I think we've answered that before. You know, we don't have the set lifespan identified. We've mentioned 80+ years. In regards to maintenance – this has been discussed before – our walking, our maintenance.
- Q: Do you actually shut down the line if you find a problem? Do you have that ability along the way to shut the pipeline?
- A: Absolutely; we will have the valve settings. Our design is not set at this point. That is something that is still being evaluated and that is all part of this process. But once that is established, we will emergency shutdown valves throughout the whole distance of the pipeline. Once those are established, then we can isolate certain sections of the pipeline for maintenance activities.

Ms. Bragg asked:

- Q: Typically, how far apart are those shutdown emergency valves?
- A: They vary. It could be miles, typically (another Dominion staff's response). It is the same thing with the class location and the wall thickness design. It's in a Class 3 area which is the highest populated area. It's 4 miles and then in a Class 2, they range differently. The design, like I said, is absolutely still being evaluated. We are so early in the game still. At this point, we do not know where those valve settings are or what the class locations will look like. At the closest points, within 5 miles and then they will go out from there. I don't think they've talked about terms of the inspection process is that they are inspected from the inside on intervals. There is a tool called a smart pig. I don't know why they call it a pit, but it is smart because it has electronic sensors on it and every seven years, it will go through that more often if there is any indication of an issue or we think somebody dinged the pipe accidentally or whatever, but it goes through and looks at, for example, corrosion, for any changes in that pipe, or whatever. We build our pipes to be able to do that.
- Q: The easements that you get for this one pipeline; does it provide you from putting additional pipelines in later, or do you have the right to place additional pipelines in the same easement?
- A: The right-of-way agreement will specifically say for one pipeline.
- Q: Is the gas that you would like to move in this pipeline obtained due to the hydro-fracking in West Virginia?
- A: The natural gas that is produced in Ohio, West Virginia, Pennsylvania; that's actually the foundation, perhaps, of the natural gas industry in the United States. It would be produced by a variety of means; some called conventional; some called hydro-fracking. I assume supplies have not been acquired, so there is no way to really know, specifically, what that gas would be.

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August 13, 2014, at 7:00 p.m.

DOMINION TRANSMISSION, INC. (VIRGINIA POWER) – SPECIAL PRESENTATION (cont'd)

CITIZENS' QUESTIONS AND ANSWERS (cont'd)

- Q: Reducing carbon, replacing methane is only a sideways move, given the methane is several times more potent than Co2. As a greenhouse gas, how can you tell us that this will reduce climate change?
- A: I think there are a long series of scientifically pure reviewed studies that indicate that when you take a look at methane as a greenhouse gas; it is more potent than Carbon Dioxide. That takes into account both when you burn it and in all of the process of producing or gathering it and bringing it through the pipelines, etc. Any gas that would leak, they call fugitive gas; you look at that total effect versus burning coal, to produce the same amount of electricity, you're still looking at approximately half of carbon emissions for natural gas as you are for coal. As I talked about how Dominion has been able to reduce its Co2 emissions, its greenhouse gas emissions is much the same as the rest of the industry until you get to the point where you're comfortable with the cost and the reliability and the availability of all carbon neutral or zero carbon emissions generation, the next best thing is natural gas. So you need to move in that direction.
- Q: Is the gas being transported to storage tanks somewhere similar to your Cove-Point Project? Will it be distributed from those storage tanks?
- A: Those are liquefied natural gas tanks. I'm not familiar with anyone who has those in Virginia or North Carolina. That's not typical.
- Q: It's not planned at this time?
- A: It will not be part of our process.
- Q: On the co-location of existing lines, what is the explosion zone of a pipeline of this capacity pressure?
- A: The potential impact radius, which we call the PRI, is approximately 1,000 feet for a 42-inch pipeline.
- Q: You mentioned that you will have to get permits in Augusta County for erosion sediment control and stormwater. Will you be paying for permits along the pipeline as you go? We get paid for it?
- A: Whatever the applicable permit applications fees are, which in many times are based on the size of the project, we would be paying those fees and those fees will go for over-site and compliance inspections as well as general administrative things that would be required for processing those permits.
- Q: How do you go about surveying? What is your process if a landowner refuses to allow you on the property?
- A: Our goal, obviously, is to avoid having to do anything other than getting an agreement with the landowner. We send multiple letters and try to make sure that they understand that it is in their best interest. If a landowner allows us on their property, that doesn't commit them to anything other than allowing us to get on to their property to understand it better. When we talked earlier about the rerouting through the George Washington National Forest, that came from conversations with the folks at the George Washington National Forest. If we can't get on someone's property; if we can't get a better understanding of it, it makes much more difficult for us to understand why we should change that route. It is in the best interest, we believe, of the landowner to the very least let us come in and survey and understand the land. Ultimately, if we get to that point where there is a standstill, then we'll have to pursue the legal action. We will have to get a judge who has to agree with us that we have, in fact, met the letter of the law to allow us on that land.
- Q: Are the surveys provided to the landowners and are they of a quality that he can use, also, to give to his people in negotiations?
- A: The survey plats that we do, we do not do boundary surveys of the property. We will survey and have the data for the centerline of the pipeline. They will get a copy of that plat clearly identified and it will use the Tax Map property boundary and will survey and place the pipeline within the tax parcel and then that plat will be given to the landowner and it will be attached and made a part of the right-of-way easement agreement.

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August 13, 2014, at 7:00 p.m.

DOMINION TRANSMISSION, INC. (VIRGINIA POWER) – SPECIAL PRESENTATION (cont'd)

CITIZENS' QUESTIONS AND ANSWERS (cont'd)

- Q: Anything in your contracts that would forbid landowners from talking to each other in regard to negotiations?
- A: Absolutely not.
- Q: If pipe size is thicker in more populated areas, will the rural areas within pipe surface be restricted from growth and will the pipe be made to comply (meaning deeper and thicker) when the areas grow? In other words, I guess what we're talking about is in undeveloped areas at this point, if it is part of the County's Comp Plan, that that is a growth area, but, yet, you put the thinner line in it, will it be upgraded if we do grow into that area?
- A: We'll try to work with the Comp Plan. If we know that in design, we can certainly accommodate the pipe to that size. That is the cheapest time to do it (another Dominion staff's comment). I just want to add also when future development plans come later, we have a process in place with our field engineering department. We have a whole encroachment process and that happens every day with our pipeline system that you would submit your plans for your development and we would work with you that if we needed to upgrade our pipeline, that we would work in conjunction with you. Sometimes, that is at your expense, but we would have to work together to make that happen. If it would require that it would need to be a much stronger pipeline to substantiate the development; yes. The more known upfront, the better off we can design that now.
- Q: To not have to seize private property, why wouldn't you put the line along public roads?
- A: We, basically, covered that a little as it relates to encroachments and existing right-of-ways and those kinds of things. Generally, the public road system doesn't have enough right-of-way width to do that.
- Q: In places of either explosion, fire and remote areas, forest fires, and things of this nature, how much heat will the line absorb?
- A: I don't know if we can answer that for you tonight.
- Q: In other words, if you have a forest fire, is it protected enough?
- A: It is buried at least 3 feet minimum, agricultural areas 4 feet, and it also, remember, the right-of-way is cleared. It is not like there are trees and a forest fire would happen over it. It would provide a pretty substantial buffer for that.
- Q: If a leak does occur in the pipeline, what are the indicators of the leak? How is it identified?
- A: Usually the first leak indication that is most often identified is dead vegetation over the pipeline. That's the quickest and easiest way that we most often identify our leaks.
- Q: What do you do to ensure the integrity of the line during earthquakes?
- A: One of the first things we do, obviously, is excavate deeper than we need to and then put a cushion layer of soil underneath it making sure it is all clean fill, no rocks, or other kinds of debris that would damage the pipeline and how we, then, put the other soil around it helps protect it. As I said, to my knowledge, the largest reported earthquake in Virginia's history, there were no episodes reported.
- Q: There is a waterline that runs from North River to the City of Staunton; how far away from that waterline will you stay and will that have an impact on your location?
- A: We'll get that response to you. We don't have that detail tonight (another Dominion staff's response). If we're paralleling it, we have to stay outside of their right-of-way. If it's crossing us, we have to have a minimum of 12-inch separation and we strive for 24.
- Q: During excavation and blasting, you may release radon, which is commonly located in the area, what is your mitigation strategy including exposure of uranium ore deposits?
- A: We would have to bring in a blasting specialist to evaluate that before we performed any kind of blasting techniques.
- Q: The individual maps will be provided to property owners to show exactly where the pipeline is going?

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August 13, 2014, at 7:00 p.m.

DOMINION TRANSMISSION, INC. (VIRGINIA POWER) – SPECIAL PRESENTATION (cont'd)

CITIZENS' QUESTIONS AND ANSWERS (cont'd)

- A: Yes.
- Q: You mentioned that your standards for managing monitoring the line are based on population density. Some of the most precious resources in our areas of low population density, drinking water, wilderness areas, how will you factor this into your plans?
- A: I would think the biggest concern would be during the construction process. Once it is in the ground, I think that would be a much lesser concern for those areas (another Dominion staff spoke). The way we address the water resources throughout the line has nothing to do with the population; it has to do with the presence of the resource itself. It will be evaluated regardless of the population density equally throughout the whole entire right-of-way in the served area.
- Q: If the owner does not agree to the survey, that you can come on; they can walk onto the land. If the owner does agree, do they still walk onto the land and not bring equipment onto the land?
- A: Yes, all of our surveying will be done by foot. They may drive to the farm or if there is a road and the landowner allows them to drive their vehicle to a particular place.
- Q: If certain activities occur, you have to bridge across the line. Who pays for that bridging if a landowner needs to cross that line after it is in the ground?
- A: The opportunity to do it now is the best time to do it. We will certainly work with the landowner during construction, but if somebody wants encroach and log, or whatever, it will be up to the contractor landowner whoever needs the crossing for negotiation with them at that time. If it is something simple that we can do, it may be at no expense, but it will be at the expense of the user.
- Q: In crossing the Middle River?
- A: That is going to be a permitting process, but our guess will, probably, be bored on the major rivers or whatever. That is going to be a DEQ requirement. We'll have to look at it on a case-by-case basis. I guess it will bore under the river.
- Q: How close can you come to a house?
- A: We have 125 feet that we need for construction, so, obviously, any standing structure, we're not going to be any closer to than that to start with; that would be an absolute minimum, but beyond that, we wouldn't want to have to work right up to the edge of somebody's building; somebody's home or garage or whatever so we would expect it to be even further than that. Once the pipeline is in the ground, they can build right up to the right-of-way and we've seen that. During the construction phase, we would try to keep away as far as possible (another Dominion staff spoke). As I indicated earlier, that is pretty much how it gets developed close to pipeline is it's after the fact. The developer buys the land and tries to use every foot of it for a lot and that is how homes get up close to a right-of-way, whether it be electric or gas.
- Q: When Dominion and another company's pipeline join up, who is responsible?
- A: Well, we're responsible for our part of it and they are responsible for their tap, or whatever; so, when we join up, it's a joint shared connection.
- Q: Do you all have 42-inch transmission lines anywhere else in your system? Is this the first one that large?
- A: We do not; this will be our first.
- Q: There is a question here about property taxes. No, you did not hear, 'property taxes will not go up'. What he was referring to is that the County receives, as set up by the State of Virginia, we receive taxes from the utilities based on the value of their equipment and their lines in the County and they would be paying taxes to us on that value as established by the State. Property taxes in the County will not go up because of this project.
- A: This did not require a response.

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August 13, 2014, at 7:00 p.m.

DOMINION TRANSMISSION, INC. (VIRGINIA POWER) – SPECIAL PRESENTATION (cont'd)

CITIZENS' QUESTIONS AND ANSWERS (cont'd)

- Q: You mentioned that you had to work and comply with all the Federal, State and local laws. Are you subject to inspection and comply with OSHA?
- A: Certainly, we will have to comply with all that. Our contractors will certainly have to comply with all that. That will be a standard.
- Q: Are you going to produce a map later where we can actual County road numbers that is on the corridor so that people can more identify where they are on the projected line?
- A: That is the intent of the survey and the open house. We hope to have good maps here within 30 days if we can get some surveying done. We would like to have the individual property owners' map so that when they come to the open house, we can further look at the details of individual properties. Until we get on there and survey, then we have no further details.
- Q: If a private property owner's well is ruined, how is it fixed? If their well comes from an underground stream, how is the stream protected as it travels for a long distance?
- A: The first answer is that we are going to avoid where possible all underground springs and, obviously, stay the proper distance away from wells. That will be monitoring before and after; if damage did occur, and it was demonstrated that it was as a result of the construction, we would have to evaluate that on a case-by-case basis. There is no one answer for all.

Patrick J. Coffield, County Administrator, explained that the Open House would be similar to VDOT road hearing process. It will not be a public hearing. It will be in the Board and South Boardroom with tables set up for information with citizens' particular property showing the impact. It will be more of a custom case-by-case individual basis. He reiterated that the first Open House would be on September 15<sup>th</sup> from 4:00 p.m. to 8:00 p.m.

Mr. Wade added:

If this project goes forward and FERC takes jurisdiction, then FERC would come in and do a 'scoping meeting', which would be similar to the public hearing. I think what you're looking for were, if a FERC representatives would sit wherever that meeting is, and the citizens can get up and speak one-by-one. That will be further down the road.

Mr. Coffield added:

Generally, when those Federal or State agencies ask for a local meeting place, they ask for County Government Center, we make it available for the convenience of public input.

- Q: Concern of tourism likely to go down during construction because of the roads; have you seen any justification that tourism is impacted during construction?
- A: It's not our experience. I can't offer you a third-party study, but when you look at how this moves through areas pretty quickly, it doesn't look to tie up roads. That's the goal. We don't want to tie up roads, so it wouldn't affect traffic as absolute minimal amount of time. We, obviously, try to work with localities if there is a special event. Some communities have big once-a-year events and we're sensitive to that. We're aware of that and we try to work around it.
- Q: What has been your experience in the past, as to the impact of resolutions by Board of Supervisors, whether in favor or in opposition during the FERC process?
- A: Obviously, one of the reasons we're here tonight is to hear from you and to hear from your citizens. We take comments into consideration. The regulators, I think, would be the best people to answer the question, but they, certainly take very seriously public comment. We've been, obviously, involved in other projects. We can tell by the responses we get from them that they very clearly pay attention to the residents whether it's the Board of Supervisors representing a County or individual homeowners or other groups. I can't tell you what level, but I always encourage participation in a process like this.

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DOMINION TRANSMISSION, INC. (VIRGINIA POWER) – SPECIAL PRESENTATION (cont'd)

CITIZENS' QUESTIONS AND ANSWERS (cont'd)

Chairman Wills announced that this completed the process of asking questions. He avoided a couple of questions because he did not feel they were pertinent. He asked the Board if there was any additional comment by any member of the Board.

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BOARD OF SUPERVISORS FOLLOW-UP QUESTIONS

Ms. Bragg:

Q: When you're crossing the mountain, will there be a significant amount of blasting to get across that? Have you all looked at that, yet?

A: There are different methods to remove rock. We have a hammer that we attach to the bucket and we try to break up the rock by pounding it. Then there is also blasting. We have not evaluated, yet. We have estimated what we think what amount of rock might be, but we don't know that, yet, so we will have to determine that. And we also do blasting studies and we have to get blasting permits and all of that. If we would have to do it, we would go through all those processes (another Dominion staff spoke). And we would need to survey first.

Mr. Karaffa:

Q: You talked about the potential event of an explosion, that the radius was 1,000 feet; is that correct?

A; That's approximate; yes.

Q: I'm guessing it would be 1,000 feet or more away from our schools?

A: Yes. That's a rule.

Q: Before, you couldn't tell me how far away.

A: What I'm saying is that we have to design based on the wall thickness. All of that is factored into that potential impact radius calculation (another Dominion staff spoke). What we couldn't tell you immediately was specifically how far from a specific school right now, but there are requirements that tell us how far—minimum distances we have to be.

Q: A question in regard to jobs expected to be created over the period of the construction and that is going to be left up to the contractor. That's not something that Dominion is going to be able to answer. How the large contractor decides to use local sources is going to be up to the contractor. Having been in the contracting business, I know that is not controlled by the people who take on the contract.

Chairman Wills' closing comment:

We thank you all for being here. We thank you for being frank with your answers to our discussions. We look forward to hearing from you as you get more information. We will take a five-minute break at this time to allow those of you who need to leave. We have a lot of more business to attend to. We do have public comment period coming up after the break.

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A five-minute recess was taken at 9:30 p.m.

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MATTERS TO BE PRESENTED BY THE PUBLIC

Dominion Transmission, Inc. (Virginia Power)

Nancy Sorrells, coordinator of the Augusta County Alliance, thanked the Board for its efforts in working on this issue. She stated that despite Dominion's claims of a strong safety record,



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MATTERS TO BE PRESENTED BY THE PUBLIC (cont'd)

Dominion Transmission, Inc. (Virginia Power) (cont'd)

the possibility of disaster would always lurk with the pipeline. "We, the citizens of Augusta County would like to point out that even a 99.9% record of safety on a 42-inch diameter pipeline that is 550 miles in length, and will carry 1.5 billion cubic feet of gas under high pressure every day is scary. There is a man-made weld every 40 feet. That means that every 40 feet there is the possibility that man messed up. We know about sinkholes that just opened up, caves collapsed and rock that will be blasted is a pretty scary gamble. But even so, what you hear from Dominion, is about mitigation and putting things back as closely as possible to the way they were before all because of someone else's economic gain. It's more about we can be used and our property can be used and hurt as little as possible. I don't think that's right for our own personal property to be used and put back as close as possible. You took an oath to protect the citizens of Augusta County and their welfare and you're doing a great job. Please continue to do it in a very difficult situation. In the end, it's about the citizens and the property of Augusta County, the future of what we all think is a great place, great quality of life, and Dominion spoke a lot about their high ethics and their good corporate citizenship. They also talked about some customers who are very excited about this pipeline; although, they are not at liberty to reveal those customers. I suppose the final question that I want to leave is, and I think I speak for a lot of people from Augusta County, is the profit from some private unknown customers, as well as the profit of Dominion, really for the public good? Which ranks higher on that list of important components in Dominion's world? Ethics or profit? "

Shannon Harrington, a local realtor, said she believed the pipeline would negatively affect property values. She noted that those who are in the route of the proposed pipeline are moving to new residences outside of the path.

Charlotte Rea, of "Friends of Nelson" from Nelson County, thanked the Board for tonight's meeting. She felt that more information was shared tonight than any meeting she had attended. She noted that three out of four property owners refused to allow a survey and encouraged others to refuse. She felt that rights have been violated and that the public does not have a voice. "Thank you for allowing us to have a voice tonight."

Ernie Reed, of Charlottesville and President and Conservation Director of Wild Virginia, which advocates for the highest conservation values in the George Washington National Forest. He had spoken with Elwood Berge, North River District Ranger, who felt that the re-routing was more problematic than the original route, which ran across the Single Cross Knob, where the salamander (endangered species) lives; numerous crossings of the cow pasture and calf pasture river and streams; and runs for many miles along Jennings Branch. "That is a similar concern with Wild Virginia when you have a two-year construction zone going through at least 30 miles of a National Forest totals up to 200 acres that are being condemned. That will be an increased amount of sedimentation and erosion for many years to come after the construction is done. Wild Virginia has intervened in the Federal Energy Regulatory Commission process on the Cove-Point export facility." The reason for intervention was because of the impacts of the pipeline not being considered in that process. He noted that permits for export terminals come after the pipelines have been laid. He added that the opportunity for an export terminal in Chesapeake is not out of the question, but would not become a question until after the opportunity of getting the gas there has already happened. He stated that because of it being a National Forest being a federal agency, it can refuse the route on that property. "Because of so much of the National Forest is in Augusta County and so much of the pipeline goes through that, you all have an opportunity to weigh in very strongly in the process of determining whether the Forest Service will be signing off on this or not. I encourage you to do so. "

Elizabeth Buteau, of Nelson County, expressed concern of a leak occurring and having only three minutes to get out and the leakage going into the water.

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MATTERS TO BE PRESENTED BY THE PUBLIC (cont'd)  
Dominion Transmission, Inc. (Virginia Power) (cont'd)

Mike Johnson, of Waynesboro, thanked Messrs. Pyles and Karaffa for their "strong" comments.

Mr. Toms stated that the letters in the trash do not mean yes. Under the Virginia laws, a 30-day letter is mailed out; if not returned, there will be a follow-up 15-day letter; then they will try to make personal contact either by phone or by a personal visit when the surveyors are in the area. "We do have 25% of the letters signed by Nelson County residents. We do not have opposition of 75%; we have 75% of the landowners who have not responded. That doesn't mean that they said no. We are still working with them. We had about 12-13 landowners that got an attorney and we agreed to stop surveying until we met with the Board, which was last night, and we are continuing to survey through the end of August in Nelson."

Chairman Wills thanked the public for being here tonight and appreciated their input.

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PERSONAL PROPERTY TAX RELIEF PROGRAM – RESOLUTION

The Board considered resolution establishing the rate of tax relief of qualifying vehicles for purposes of the Personal Property Tax Relief Act.

Jennifer Whetzel, Director of Finance, reported that annually the Board of Supervisors considers a resolution that establishes the rate of tax relief of qualifying vehicles. This percentage is based on the Personal Property Tax Relief Act. In 2005 the State froze the amount of funding that is provided to localities under the Act. The Commissioner's office looked at the total pool of vehicles for the 2014 Personal Property Tax billing and determined that the percentage will be 44% this year, which is the part that is reimbursable by the State funding available, which was the same in 2013.

Mr. Pyles moved, seconded by Mr. Pattie, that the Board adopt the following resolution:

**RESOLUTION OF THE BOARD OF SUPERVISORS  
OF AUGUSTA COUNTY, VIRGINIA**

WHEREAS, the Personal Property Tax Relief Act of 1998, Va. Code §§ 58.1-3523 et seq. ("PPTRA"), has been substantially modified by the enactment of Chapter 1 of the Acts of Assembly, 2004 Special Session I (Senate Bill 5005), and the provisions of Item 503 of Chapter 951 of the 2005 Acts of Assembly (the 2005 revisions to the 2004-06 Appropriations Act).

WHEREAS, by its enactment of an ordinance on December 14, 2005 ("Ordinance"), the Board of Supervisors of Augusta County, Virginia (the "Board of Supervisors") has previously implemented such modifications of the PPTRA.

WHEREAS, the Board of Supervisors now desires to set the rate of tax relief for tax year 2014 for purposes of the Ordinance.

BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF AUGUSTA COUNTY, VIRGINIA:

1. For purposes of § 3(c) of the Ordinance, the rate of tax relief with respect to qualifying vehicles with assessed values of more than \$1,000, and applied to the first \$20,000 in value of each such qualifying vehicle, shall be forty-four (44%).

August 13, 2014, at 7:00 p.m.

PERSONAL PROPERTY TAX RELIEF PROGRAM – RESOLUTION (cont'd)

2. All other provisions of the Ordinance shall be implemented by the Commissioner of the Revenue or the County Treasurer, as applicable, including, without limitation, those set forth in § 3(b) of the Ordinance, pertaining to the elimination of personal property taxation of each qualifying vehicle with an assessed value of \$1,000 or less, and in § 4, pertaining to liability of taxpayers whose taxes with respect to a qualifying vehicle for tax year 2005 or any prior tax year remain unpaid.

3. This Resolution shall take effect immediately upon its adoption.

Vote was as follows: Yeas: Pattie, Karaffa, Shull, Wills, Moore, Bragg and Pyles

Nays: None

Motion carried.

\* \* \* \* \*

ERRONEOUS ASSESSMENT

The Board considered refund as certified by the Commissioner of Revenue and approved by County Attorney for the following:

1. Earl R. or Carol C. Sipe :	2012	\$1,358.81 (1 <sup>st</sup> half Real Estate)
		1,358.82 (2 <sup>nd</sup> half Real Estate)
	2013	\$1,443.81 (1 <sup>st</sup> half Real Estate)
		<u>1,443.81</u> (2 <sup>nd</sup> half Real Estate)
		\$5,605.38

Patrick J. Morgan, County Attorney, advised that in accordance with § 58.1-3981 of the Code of Virginia, the Commissioner of Revenue delivered a memorandum reporting that she had confirmed through the U.S. Department of Veteran Affairs that Earl R. Sipe qualified for a 100% disability as of January 2012 and has certified that the sum of \$5,605.38 was overpaid due to the exemption from real estate taxes provided to disabled veterans under the provisions of § 58.1-33219.5 of the Code and request that the Board of Supervisors authorize the Treasurer to refund the sum overpaid.

Mr. Pattie moved, seconded by Mr. Karaffa, that the Board approve the refund.

Vote was as follows: Yeas: Pattie, Karaffa, Shull, Wills, Moore, Bragg and Pyles

Nays: None

Motion carried.

\* \* \* \* \*

OUTDOOR MUSICAL OR ENTERTAINMENT FESTIVAL

The Board considered application as submitted by Staunton Mall for an outdoor event to be held at the Staunton Mall on September 13, 2014 (Beverley Manor District).

Rita Austin, Executive Secretary, reported that Staunton Mall had submitted an application which has met all requirements. She added that it was a fundraiser for the Blue Ridge Food Bank.

Mr. Karaffa moved, seconded by Ms. Bragg, that the Board approve the application.

August 13, 2014, at 7:00 p.m.

OUTDOOR MUSICAL OR ENTERTAINMENT FESTIVAL (cont'd)

Vote was as follows: Yeas: Pattie, Karaffa, Shull, Wills, Moore, Bragg and Pyles

Nays: None

Motion carried.

\* \* \* \* \*

STUARTS DRAFT DRAINAGE

The Board considered project to improve drainage in the South River District.

Funding Source: South River Infrastructure Account #80000-8016-79 \$750

Timmy Fitzgerald, Director of Community Development, displayed the property off of Draft Avenue. The ditch is catching water from Route 340 and is severely eroded. It goes into a major drainage and ultimately ends on Wayne Avenue.

Ms. Bragg moved, seconded by Mr. Shull, that the Board approve the request.

Vote was as follows: Yeas: Pattie, Karaffa, Shull, Wills, Moore, Bragg and Pyles

Nays: None

Motion carried.

\* \* \* \* \*

BLOOMAKER USA, INC.

The Board considered agreements to execute the incentive package for Bloomaker USA, Inc.:

- 1. Contract with Columbia Gas of Virginia
- 2. Performance agreement among the County, the Economic Development Authority and Bloomaker
- 3. Contribution agreement between the County and the Economic Development Authority
- 4. Internal TIF Resolution

Amanda Glover, Director of Economic Development, reported that copies of these agreements had been included in the agenda package, noting that these agreements will help to convey a \$100,000 grant to Bloomaker. She presented a "flow chart" explaining the series of the four documents; three of which are approved by the Board. The flow chart illustrates the process and she was available to answer questions.

Ms. Bragg moved, seconded by Mr. Karaffa, that the Board approve the request and authorize the Chair to execute the documents.

Vote was as follows: Yeas: Pattie, Karaffa, Shull, Wills, Moore, Bragg and Pyles

Nays: None

Motion carried.

\* \* \* \* \*

August 13, 2014, at 7:00 p.m.

BLUE RIDGE MACHINE WORKS

The Board considered addendum to Blue Ridge Machine Works' purchase contract for five acres in Mill Place Commerce Park.

Ms. Glover mentioned that the purchase contract for Blue Ridge Machine Works to purchase five acres of land in Mill Place Commerce Park had been approved in July. After that point, Mr. Shelton advised staff that he was going to need more than 60 days to close on the property because he is pursuing both an SBA loan and also working with the Small Business Financing Authority. Ms. Glover consulted with the County Attorney, and he suggested that an addendum to the purchase contract be considered.

Mr. Karaffa moved, seconded by Mr. Moore, that the Board approve the request.

Vote was as follows: Yeas: Pattie, Karaffa, Shull, Wills, Moore, Bragg and Pyles

Nays: None

Motion carried.

\* \* \* \* \*

FIELDER'S CHOICE ENTERPRISES, INC.

The Board considered a monetary claim under the provisions of Section 15.2-1245 of the Code of Virginia.

Andrew Felice, an attorney for Fielder's Choice Enterprises, Inc., presented information of a monetary claim to the Board regarding additional costs of the Steel Casing Pipe incurred for the Greenville Sewer Project in an approximate amount of \$790,000.

Chairman Wills said that the Board would take this under advisement.

\* \* \* \* \*

WAIVERS/VARIANCES – NONE

\* \* \* \* \*

CONSENT AGENDA

Mr. Karaffa moved, seconded by Mr. Moore, that the Board approve the consent agenda as follows:

MINUTES

Approved minutes of the following meetings:

- Staff Briefing Meeting, Monday, July 21, 2014
- Regular Meeting, Wednesday, July 23, 2014

CLAIMS

Approved claims paid since July 23, 2014.

Vote was as follows: Yeas: Pattie, Karaffa, Shull, Wills, Moore, Bragg and Pyles

Nays: None

Motion carried.

\* \* \* \* \*

August 13, 2014, at 7:00 p.m.

MATTERS TO BE PRESENTED BY THE BOARD

The Board discussed the following issues:

Mr. Shull: Thank you to citizens who came out tonight. "There were a lot of emotions involved in this. Where do we go with this? It's not up to us; it's up to the Federal Government. We'll just have to wait and see."

Mr. Karaffa: Capital Project packet on Schools – Questioned what the exact timeline for a boundary line study was. Chairman Wills understood that it will be discussed at their September meeting. The School Board representatives will present a report at the Board of Supervisors' August 25<sup>th</sup> Staff Briefing.

Mr. Moore: School beginning! Asked that the newspapers alert the public for safety.

Chairman Wills: Thanked Ms. Hensley and staff, Sheriff's Department, Fire and Rescue and others for how well-handled the meeting was tonight.

\* \* \* \* \*

MATTERS TO BE PRESENTED BY STAFF

Staff discussed the following:

1. ICMA – Certified Credentialed Manager – Timothy Fitzgerald
2. VDOT:
  - a. Revenue Sharing 2016 Allocation - asked if Board will want to use any of their infrastructure funds to match. (Ongoing projects - Route 608 at Westgate and Route 784) Applications are due October 31<sup>st</sup>.

\* \* \*

- b. Local Administered Representative – Appointment

Mr. Shull moved, seconded by Mr. Moore, that the Board appoint Timothy K. Fitzgerald as the Local Government responsible person for all Local Administered VDOT projects. Furthermore, Mr. Fitzgerald shall have the authority to sign agreements and/or contracts in order to complete VDOT's Locally Administered project requirements.

Vote was as follows: Yeas: Pattie, Karaffa, Shull, Wills, Moore, Bragg and Pyles

Nays: None

Motion carried.

Mr. Fitzgerald pointed out that on Route 636, he was the Project Manager; however, Mr. Wolfe has been trained on VDOT projects, and he will be the Project Manager on Route 608.

Mr. Moore added that any Enhancement projects that are going to be submitted that are inside the MPO area will need to be discussed at the September MPO meeting.

\* \* \*

3. VACo County Officials Summit – August 14 – 15 – made traveling arrangements.
4. Legislation – Information distributed to Board regarding:
  - a. Liaison Contract (will be submitted at next meeting)
  - b. 2015 Legislative Priorities

August 13, 2014, at 7:00 p.m.

MATTERS TO BE PRESENTED BY STAFF (cont'd)

- 5. Christmas Lighting in Stuarts Draft – may be coming before the Board in the near future for consideration.
- 6. USDA – Dam(s) – information distributed to Board on status of Todd and Hearthstone Lakes.
- 7. MPO presentation on Staunton Bikeway distributed to Board.

\* \* \* \* \*

CLOSED SESSION

On motion of Mr. Shull, seconded by Mr. Moore, the Board went into closed session pursuant to:

- (1) the personnel exemption under Virginia Code § 2.2-3711(A)(1)**  
[discussion, consideration or interviews of (a) prospective candidates for employment, or (b) assignment, appointment, promotion, performance, demotion, salaries, disciplining or resignation of specific employees]:  
  
A) Boards and Commissions
- (2) the economic development exemption under Virginia Code § 2.2-3711(A)(5)**  
[discussion concerning a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of its interest in locating or expanding its facilities in the county]:  
  
A) Pending Economic Development Prospect(s)
- (3) the real property exemption under Virginia Code § 2.2-3711(A)(3)**  
[discussion of the acquisition for a public purpose, or disposition, of real property]:  
  
A) ASR
- (4) the legal counsel exemption under Virginia Code § 2.2-3711(A)(7)**  
[consultation with legal counsel and briefings by staff members or consultants pertaining to actual or probable litigation, and consultation with legal counsel regarding specific legal matters requiring the provision of legal advice by such counsel, as permitted under subsection (A) (7)]:  
  
A) Reassessment  
B) Greenville Sewer

On motion of Mr. Shull, seconded by Mr. Karaffa, the Board came out of Closed Session and adjourned subject to the call of the Chairman.

Vote was as follows:           Yeas: Pattie, Karaffa, Shull, Wills, Moore, Bragg and Pyles

Nays: None

Motion carried.

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The Chairman advised that each member is required to certify that to the best of their knowledge during the closed session only the following was discussed:

- 1. Public business matters lawfully exempted from statutory open meeting requirements, and

August 13, 2014, at 7:00 p.m.

CLOSED SESSION (cont'd)

- 2. Only such public business matters identified in the motion to convene the executive session.

The Chairman asked if there is any Board member who cannot so certify.

Hearing none, the Chairman called upon the County Administrator/ Clerk of the Board to call the roll noting members of the Board who approve the certification shall answer AYE and those who cannot shall answer NAY.

Roll Call Vote was as follows:

AYE: Pattie, Karaffa, Wills, Shull, Moore, Bragg and Pyles  
 NAY: None

The Chairman authorized the County Administrator/Clerk of the Board to record this certification in the minutes.

\* \* \* \* \*

CENTRAL SHENANDOAH EMERGENCY MEDICAL COUNCIL - APPOINTMENT

Mr. Shull moved, seconded by Mr. Pyles, that the Board appoint Nathan Ramsey to serve a 3-year term on the Central Shenandoah Emergency Medical Council, effective October 1, 2014, to expire September 30, 2017.

Vote was as follows:       Yeas: Pattie, Karaffa, Shull, Wills, Moore, Bragg and Pyles

Nays: None

Motion carried.

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CENTRAL SHENANDOAH EMERGENCY MEDICAL COUNCIL - APPOINTMENT

Mr. Shull moved, seconded by Mr. Pyles, that the Board appoint Fire Chief Carson Holloway to serve another 3-year term on the Central Shenandoah Emergency Medical Council, effective October 1, 2014, to expire September 30, 2017.

Vote was as follows:       Yeas: Pattie, Karaffa, Shull, Wills, Moore, Bragg and Pyles

Nays: None

Motion carried.

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COORDINATED AREA TRANSPORTATION SERVICES (CATS) - REAPPOINTMENT

Mr. Shull moved, seconded by Mr. Karaffa, that the Board reappoint Jennifer M. Whetzel to serve another 2-year term on the Coordinated Area Transportation Services, effective October 1, 2014, to expire September 30, 2016.

Vote was as follows:       Yeas: Pattie, Karaffa, Shull, Wills, Moore, Bragg and Pyles

Nays: None

Motion carried.

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August 13, 2014, at 7:00 p.m.

ADJOURNMENT

There being no other business to come before the Board, Mr. Shull moved, seconded by Mr. Karaffa, the Board adjourned subject to call of the Chairman.

Vote was as follows:           Yeas: Pattie, Karaffa, Shull, Wills, Moore, Bragg and Pyles

                                  Nays: None

Motion carried.

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Chairman

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County Administrator