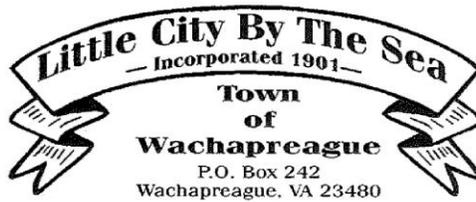




Marina
757-787-1930



Town Office
757-787-7117

Charles Elliott, Mayor

The Honorable Carl Bundick, Town Attorney

Town Council Present:

Sandie Puchalski, Vice Mayor
Robert Hipple
Glenn Schagelin
Craig L. Baker
Aileen Joeckel
Bob Bilicki

Clerk: Susan Springer

**TOWN COUNCIL WORKSESSION
July 31, 2025 – 7:00 PM
VIMS SEASIDE HALL**

I. Mayor Charles Elliott called the meeting to order.

II. Councilman Glenn Schagelin led the prayer.

III. Charles Elliott led the Pledge of Allegiance.

IV. Discussion of Sewer Installation Phase II:

Mayor Elliott opened discussion by referring back to the July 10th Council Meeting reiterating his belief in fulfilling promises made to the residents of the Commercial District. He further stated that when former Mayor Fred Janci brought sewer into the Town the intent was for the Waterfront District and Commercial District to be hooked up for free and Mayor Elliott believes that should be done. He reviewed the Waterfront and Commercial Districts as outline in the original zoning plan dated 1948. Councilman Robert Hipple commented that through thorough review of Meeting Minutes from 2015 it is clear to see how the project changed as it evolved. Councilman Hipple conceded he was not on the Council during Phase I, but it seemed that everyone on the Council at this time was on a slightly different page and that is why the Work Session was scheduled. Town Clerk Springer asked if there was a designated Project Manager to steer the project forward. Councilman Bilicki replied not me. Mayor Elliott stated he had someone. When asked for clarification for the record he responded his Project Manager was the Head Project Manager at Wallops, Zenny Charcas, who building his new Business The Wachapreague General Store. When asked if Mr. Charcas had time to dedicate to moving the Sewer Project he responded yes. Mayor Elliott stated he did not know the expense Mr. Charcas would charge, if any. Councilman Joeckel asked what type of Project Manager Mr. Charcas was and Mayor Elliott replied that Mr. Charcas was in charge of all the Projects at Wallops. Councilman Bilicki inquired if Mayor Elliott has a resume for Mr. Charcas and he replied no. When asked if he had seen Mr. Charcas' resume Mayor Elliott replied. Councilman Bilicki encouraged a thorough vetting of anyone being considered.

Councilman Bilicki noted that in the timeline presented at the last meeting, it was not noted that Councilman Bilicki removed himself from Phase I to manage a project across the Bay. The project was then assumed by for Mayor Janci and former Councilman Joseph, a fact that was not present in Alena Elliott's presentation at the last Council Meeting. Councilman Bilicki further stated that the investigation conducted by Alena Elliott did not contain the changes in the scope of the work that took place in Phase I, going back to 2020 and 2021.

Whether former Mayor Janci conveyed that well enough in the meeting minutes is not clear, but the scope of work changed during that time period. Councilman Bilicki noted that State Delegate Robert Bloxom was brought in during this time, 2020-2021 when it became apparent the changes being required by VDOT, directional bore as opposed to open trenching, came in to play. The original request for money was made with the plans from Rob Duma, the Town's Engineering, and included open trenching. It was noted what a burden this requirement from VDOT became to the project. Councilman Bilicki noted it was during this time, when he was gone, that the decision was made to change the scope. He noted it was made by former Mayor Janci, likely without former Councilman Joseph. Councilman Bilicki noted that the data for meeting minutes is gathered and disseminated to the best of Clerk's ability and is not held to the letter of the law. Councilman Bilicki noted that the changes to the scope of work that had to be done were not done without any malicious intent or collusion as being suggested, but rather out of necessity. Councilman Bilicki noted his inability to talk with the Town Attorney on these matters, despite 3 calls in to his office. He noted he received no directive on the project except to move forward with the low bidder, Grizzly Underground, received with the full vote of the Council in the February 2025 Council Meeting. This was done under the condition Grizzly Underground could obtain bonding. Councilman Bilicki reminded Mayor Elliott they worked shoulder to shoulder for 10 weeks moving forward on this project and assuring all bonding requirements could be met. Councilman Bilicki noted the 11th hour in which Mayor Elliott decided that Grizzly was not the right the contractor and the unwise decision to compare Wachapreague Phase II with Chincoteague, which had a professionally written RFP, one most likely costing \$50,000 or more to write, while Wachapreague Phase II was a design build bid, a very specific term, and different bid type than Chincoteague. Councilman Bilicki stated you cannot produce an RFP after award of bid, and in place, Mayor Elliott and he compared both bids to be sure they lined up Apples to Apples. A clarification of assumptions and qualifications program commenced in which Mayor Elliott worked with Councilman Bilicki to achieve equality in the bids and it was noted this took 6 weeks of the 10 weeks he and Mayor Elliott worked together on this project. Councilman Bilicki again noted his 3 attempts to contact Town Attorney Carl Bundick for clarification on taking direction solely from the Mayor that contradicted with what the Council voted unanimously for in February 2025. Councilman Bilicki explained he was contacting the Town Attorney to protect Mayor Elliott as Councilman Bilicki has heard from several sources in Accomac and Exmore that Underground Utilities was trying to sabotage the project. Councilman Bilicki noted his desire to protect the Council and Town as his sworn oath backed by his over 37 years working in Project Management. Councilman Bilicki noted he as spoken to the Commonwealth Attorney Mr. Morgan about the accusations of collusion as apparent by how Mayor Elliott opened the July Council Meeting. Councilman Bilicki reiterated his reluctance to take direction solely from Mayor Elliott without the full vote and support of the Council. Councilman Bilicki noted that the pieces plucked from Phase I, combined with select pieces from Phase II, by Councilman Hipple and Mayor Elliott, presented a collage that did not have credibility. Councilman Bilicki again noted his reluctance to accept a directive solely from Mayor Elliott that contradicted the full Council vote in February, particularly after Mayor Elliott worked with him to identify that Grizzly Underground was capable of being bonded and doing the job. Councilman Bilicki concluded by noting that with Town Attorney Bundick present perhaps it can be ascertained what has happened and how the Council, and project, can go forward.

Mayor Elliott offered rebuttal, not he only went to Councilman Bilicki house 3 times. Councilman Bilicki interjected that they met many times at Town Hall, with Clerk Springer present. Mayor Elliott asked Town Attorney Carl Bundick to speak on both letters. Attorney Bundick opened by noting that his involvement in this Sewer Project has been very, very limited. He noted that when shown the 2 letters it appeared that at that second, the one appeared more capable of going forward, but he noted that again he had very limited information. He noted that when working with Town Council he generally makes it a practice to deal with one individual, so that he is not offering differing opinions to different individuals based on information they provide. He stated that based on what he was shown by Mayor Elliott at the time it appeared to him the contractor not chosen by Council was more prepared, at that time, to move forward. Councilman Bilicki noted this interpretation was, again, based on what was shown to Attorney Bundick. Councilman Bilicki noted once it was identified what the concern was it was addressed, and noted he and Mayor Elliott called the bonding agent, in Town Hall, and addressed the concern together over the phone with the bonding agency. State

bonding requirements were discussed with details given on capability, and capacity and how that plays into bidding and accepting jobs. Attorney Bundick noted he had also spoken with Attorney General Morgan's office and at this time no further communication from that office on this matter will occur. When asked Attorney Bundick clarified he served the Town Council but based on the varying data he has received he suggested, as one possibility, considering putting the project out to bid again with clarifications. It was asked and confirmed he correspondence with the Mayor has been verbal and noted that in the absence of a Town Manager the Mayor is the point of contact, unless the Council chooses to vote and appoint someone else as the spokesperson for the Town. Councilman Schagelin inquired if equal information from both bidders was provided to the Town Attorney, the Town Attorney responded he was only given the letters from each bidder, and he did not quantify the information in the letters, only reviewed them and it appeared to him the bidder not chosen may have been more to ready. Town Clerk Springer inquired if the project were rebid, who would write the RFP. Town Attorney Bundick responded that a Project Manager would be needed to handle this aspect and that some grants permit funds to be used for that purpose. It is unknown if SERCAP permits any of its grant funds to be used for that purpose. Town Attorney Bundick also noted that the gentleman from Nasa that the Mayor proposed may not be permitted to serve a Municipal Town in that capacity and if so would he be able to perform the work asked of him.

Councilman Joeckel noted we were now in Phase II, but Phase I is continued to be brought up, she inquired where the two collide. Mayor Elliott stated that in his opinion former Councilman Joseph never discussed allocation of funds in Phase II. Mayor Elliot believes the funds should go to fulfill the promise of free sewer to the Commercial District properties that are used as residences. Councilman Yoeckel asked for clarifications if all commercial business were hooked up in Phase I to which reply was yes. She confirmed it was the residences, including the Mayor's, who were cut out of the Phase I scope. Mayor Elliott conceded they were residences but noted Bob Means could open a business at his house as he has a building out back. Mayor Elliot spoke that he believed former Councilman Joseph applied for SERCAP funds, for Brooklyn Ave in Phase II, before Phase I was complete and in the Mayor's opinion those SERCAP funds should have been folded into Phase I to give free sewer hook up to those commercially zoned residences on Main St. It was questioned about leftover ARPA funds, which Mayor Elliott and Clerk Springer explained could only have been used to complete uncompleted aspects of the original scope of work outlined in the subrecipient agreement (which was exactly 17 laterals/grinder pumps). Councilman Joeckel stated that if Phase I is complete the Council should focus on Phase II. The Mayor asked if SERCAP money could be used to run more lines. The answer was no, the intent is to hook up residences to sewer, to take them off of private septic systems, not expand collection systems for future development.

Council Hipple spoke, addressing the concerns about liability on the Town. Town Attorney Bundick responded, commenting the litigious nature of society these days, saying you cannot predict it anymore. He stated he believed the Town was doing well by having these dialogues. He recommended Council to consider all aspects and be mindful of the use of funds, reminded Council that Federal funds will become increasingly hard to come by.

Councilman Bilicki introduced form Zoning Administrator Arthur Mendez, citing his years of background in construction, and requested permission for Mr. Mendez to speak on the issue of bonding. With a motion from Councilman Bilicki and a 2nd from Councilman Schagelin the Council granted it. Mr. Mendez confirmed his experience in the commercial construction business and proceeded to explain the bonding process. He stated a contractor must be bondable, and be prepared to have a bond written, prior to bidding. However the bond cannot be written until a contract is received. This is based on a contract, not an award of bid or a letter of intent, but an actual contract. Mr. Mendez explained in public work, the low bidder is given the contract, before he begins work he must get together his insurances, bond etc. This is usually given to the Project Manager in a packet, again before work begins. Mayor Elliott reiterated State Code is that a Contractor maintain a bond at all times, Mr. Mendez stated that is maintain an ability to bond at all times. Mr. Mendez further explained that a bond is project specific.

Discussion continued on the options, if the work with Grizzly Underground can be revived, if it should be rebid with an RFP and Mayor Elliott stressed, where the SERCAP grant monies would be allocated, meaning which specific properties would get the grant monies and which would not. Councilman Joeckel voiced concern about obtaining the money due from the individual property owners for the individual hook ups before the work is done, citing concerns for the Town left holding the bank and unable to collect the funds due for individual hook ups. This concern has been voiced repeatedly by the Town Treasurer as well. Glen Schagelin asked what the action item was. It was noted no action could be taken at the work session. Vice Mayor Puchalski encouraged finding a conclusion and going forward with a vote at the next Town Council Meeting. Putting out an RFP was discussed, however it was noted a very costly option. Councilman Bilicki reminded Council that is why the sitting Council at the time agreed to go forward with former Councilman Joseph's plans to do a design build bid. It was again noted the difference in budget and available funds that Chincoteague had when it paid for a professional RFP. Councilman Joeckel asked if Council could still go forward with the project as it was before, seeing that the Town now has a per household design plan. Councilman Bilicki pointed out that it was the Mayor who put a sudden stop to the project and due to the Mayor's actions he is no longer involved in the project. Councilman Bilicki pointed out that the Project is now the Mayor's. Councilman Joeckel noted that hiring a Project Manager would cost, leading to less funds available for the project, allowing that SERCAP funds can even be used for a Project Manager. Mayor Elliott went back to a lack of Council involvement in the design of Phase II including whose properties would be eligible for hook up, stressing his desire to fulfill the promise of free sewer to the residences in the commercial district left out of Phase I, and give them free sewer hook up in Phase II. Discussion ensued on how this occurred due to ebbs and flows in the project, including additional expenses encountered. Councilman Joeckel also contributed the fact that funds promised to the Town were not given, creating a shortage in promised funds. Councilman Bilicki noted that newspaper articles showed an original figure of ARPA funding to be received at 3.2 million but that was cut down to 2.6. Councilman Bilicki asked if a copy of the Mayor's presentation at the July 10th Council Meeting had been received to attach to the draft Meeting Minutes, Clerk Springer responded that no Town Hall had not received a printed or electronic copy. Councilman Joeckel stressed the intent of Phase I was for the operating waterfront and operating businesses, to help the Town grow. She stated the Town is now in Phase II, a new phase, and questioned why what was decided in Phase I should be part of Phase II. Councilman Bilicki stated that leadership needs somewhere along the way, to say, it's not going to be free. The discussion of availability of further funding ensued. Clerk Springer mentioned the Mayor said he emailed Robert Bloxom several weeks ago. Councilman Joeckel noted she had lunch with Robert Bloxom yesterday and when she inquired if anyone from Wachapreague had contact him, he replied no he had not heard from anyone in Wachapreague. The Mayor responded he emailed him this morning. Councilman Joeckel continued that Robert Bloxom is willing to help and notes he likes partnership and would be willing to see what he could find at the State level. Councilman Bilicki noted that Front Row Properties is not receiving any SERCAP funds, they are paying full price as there is not an existing business or dwelling on the property. Councilman Bilicki proposed a lottery to see who the SERCAP funds would go to. That would leave 16 properties eligible for a lottery style drawing. It was noted that under the project as it was before the Mayor halted it, all 16 properties received some SERCAP funding. Councilman Bilicki noted he wrote an RFI to HRSD to ask if the 25' extension, shown by the other bidder, was necessary for the Jones property. Their response was no, thereby saving the Jones approximately \$17,000 from that requirement. The other bidder said he would not change that requirement or price. Councilman Bilicki believes this shows the successful bidder to be an honest contractor, one who came highly recommended from the Town of Exmore. Councilman Baker suggested they contact Grizzly Underground to see if they would come back. Discussion ensued if the project was put out to bid if any contractor would bid on it. It was noted by Councilman Schagelin that this is now tainting the Town and could impede further expansion of the sewer, which will be needed by the Town. Councilman Schagelin stated the Council gave Councilman Bilicki permission to hire Grizzly Underground and it has been determined they can be bonded. Councilman Schagelin recommended they go back to Grizzly Underground and try to negotiate their return. It was agreed Council would be prepared to vote on the matter at the August 14th Council Meeting, and Councilman Bilicki reminded Council that the issue of a Project Manager will also need to be addressed. Councilman Schagelin voice a desire to see Councilman Bilicki return to that role. Mayor Elliott stated it need to be someone from outside the Town of Wachapreague. It was noted the cost associated with

this this. The Mayor encouraged all Council members to look in to everything like he did, and noted he found many discrepancies. Councilman Hipple explained he looked in to things to as well, which was why he wrote an email to the Mayor that Saturday morning, noting it was an email, not a meeting. Councilman Bilicki noted it was the Monday after that Mayor Elliott retracted the award to Grizzly Underground, without a vote of the Council, and noted that Grizzly Underground was heavily invested at that point and the Town may receive an invoice for some or all of that work as that Contractor was counting on that work. The Mayor stated there was in fact three people he talked to you. Mayor Elliot identified the three people he spoke with as Councilman Hipple, Councilman Baker and Vice Mayor Puchalski. It was questioned whether that was an authorized meeting. The Mayor replied no, he talked to all three individually. The Mayor stated he made the decision based on what he thought was best due to flags and questions. Councilman Schagelin stated he did not believe the Town Attorney received all he should have from both Contractor when he recommended rescinding the bid award. Councilman Schagelin questioned if it was the Mayor's intent to award it to the other contractor, whom Councilman Schagelin stated was a friend of the Mayor's. Councilman Schagelin stated the Mayor came in to the Town believing the Council was corrupt, and stated clearly it wasn't and it is not. Councilman Schagelin further stated that there has been nothing illegal done and he does not understand why Mayor Elliott keeps pursuing that. Councilman Schagelin suggested letting that go and moving on, noting the time constraints associated with the Grant money. Councilman Schagelin motioned to adjourn the meeting, Councilman Bilicki second. All in favor. Work session was adjourned.