

A G E N D A

JAMES CITY SERVICE AUTHORITY

County Government Center Board Room

March 26, 2002

7:00 P.M.

A. ROLL CALL

B. CONSENT CALENDAR

1. Minutes - January 22, 2002, Regular Meeting
2. Minutes - February 26, 2002, Regular Meeting
3. Virginia Energy Purchasing Governmental Association
4. Reimbursement Resolution - Groundwater Treatment Facility

C. PRESENTATION

1. Plan Review Fee

D. BOARD REQUESTS AND DIRECTIVES

E. ADJOURNMENT

AT AN ORGANIZATIONAL MEETING OF THE BOARD OF DIRECTORS OF THE JAMES CITY SERVICE AUTHORITY, JAMES CITY COUNTY, VIRGINIA, HELD ON THE 22ND DAY OF JANUARY, 2002, AT 7:00 P.M. IN THE COUNTY GOVERNMENT CENTER BOARD ROOM, 101 MOUNTS BAY ROAD, JAMES CITY COUNTY, VIRGINIA.

A. ROLL CALL

Jay T. Harrison, Sr., Chairman
James G. Kennedy, Vice Chairman
John J. McGlennon
Bruce C. Goodson
Michael J. Brown

Sanford B. Wanner, Secretary
Frank M. Morton, III, County Attorney
Larry M. Foster, General Manager

B. ORGANIZATIONAL MEETING

Mr. Harrison asked for nominations for Chairman for 2002.

Mr. Kennedy nominated Mr. Goodson as Chairman 2002.

Mr. McGlennon moved to close the nominations.

Mr. Harrison requested a roll call vote to elect Mr. Goodson as Chairman.

On a roll call, the vote was: AYE: Kennedy, McGlennon, Brown, Goodson, Harrison (5). NAY: (0).

Mr. Goodson asked for nominations for Vice Chairman.

Mr. Harrison nominated Mr. Brown as Vice Chairman 2002.

Mr. Goodson requested a voice vote to elect Mr. Brown as Vice Chairman.

The motion passed by unanimous voice vote.

C. CONSENT CALENDAR

Mr. Foster introduced the items on the Consent Calendar for adoption.

Mr. Brown requested Item Number 4, Setting a Public Hearing – Regulations Governing Utility Service, be pulled.

Mr. McGlennon made a motion to adopt the remaining items.

The motion passed by a unanimous voice vote.

1. Minutes
 - a. November 27, 2001, Regular Meeting
2. Award of Contract – Engineering Services for Groundwater Treatment Facility

RESOLUTION

AWARD OF CONTRACT - ENGINEERING SERVICES FOR GROUNDWATER TREATMENT FACILITY

WHEREAS, the Water Master Plan provides for the construction of a groundwater treatment plant as a key component of the strategy to meet projected water demands for James City County; and

WHEREAS, interested engineering firms were invited to submit a Statement of Qualification and Technical Proposals as part of the process for selecting an engineering consultant to design the planned groundwater treatment plant; and

WHEREAS, a five-member selection team interviewed four firms after the evaluation of the information submitted by the interested engineering consultants and selected Buchart-Horn, Inc., as top rated firm; and

WHEREAS, the selection team negotiated a fee of \$1,213,500 for an agreed-upon Scope of Services to perform the engineering design and support work required for this portion of the groundwater treatment project.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the James City Service Authority, James City County, Virginia, authorizes the award of a contract to provide engineering services for the Groundwater Treatment Plant to Buchart-Horn, Inc., in the amount of \$1,213,500 for design service associated with the Groundwater Treatment Plant.

3. Memorandum of Agreement with G-Square, Inc., Sale of Property – Monticello Avenue

RESOLUTION

MEMORANDUM OF AGREEMENT WITH G-SQUARE INC., SALE OF PROPERTY - MONTICELLO AVENUE

WHEREAS, the James City Service Authority has purchased a 1.08-acre parcel of property from the Virginia Department of Transportation at the intersection of Monticello Avenue and Ironbound Road, relocated, to construct a 1.0 million gallon water storage facility; and

WHEREAS, only a portion of the property will be needed for the construction of the facility and a Memorandum of Agreement has been entered into with G-Square Inc., the adjacent property owner, providing the terms for the sale of the excess property and the exchange of a small parcel to facilitate the location of the water storage facility.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the James City Service Authority, James City County, Virginia, hereby authorizes the General Manager to sign the documents necessary for the sale and exchange of the Monticello Avenue property with G-Square, Inc.

4. Setting a Public Hearing – Regulations Governing Utility Service

The Board and staff held a discussion regarding the proposed changes in the “Regulations Governing Utility Service,” including staff justification for increasing fees, process for deciding fee rates, and desire to have further discussion on the fee structure.

Mr. Goodson recommended the item be deferred until after the budget work sessions.

Mr. Harrison recommended the motion be amended to approve the public hearing.

Mr. Goodson amended the motion to approve the public hearing for consideration by the Board on April 23, 2002.

The motion passed by a unanimous voice vote.

D. BOARD REQUESTS AND DIRECTIVES - None

E. ADJOURNMENT

Mr. Harrison made a motion to adjourn until 7:00 p.m. on February 26, 2002.

The motion passed by a unanimous voice vote.

Mr. Goodson adjourned the Board at 8:17 p.m.

Sanford B. Wanner
Secretary to the Board

AT A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE JAMES CITY SERVICE AUTHORITY, JAMES CITY COUNTY, VIRGINIA, HELD ON THE 26TH DAY OF FEBRUARY, 2002, AT 7:00 P.M. IN THE COUNTY GOVERNMENT CENTER BOARD ROOM, 101 MOUNTS BAY ROAD, JAMES CITY COUNTY, VIRGINIA.

A. ROLL CALL

Bruce C. Goodson, Chairman
Michael J. Brown, Vice Chairman
Jay T. Harrison, Sr.
James G. Kennedy
John J. McGlennon

Sanford B. Wanner, Secretary
Frank M. Morton, III, County Attorney
Larry M. Foster, General Manager

B. CONSENT CALENDAR

Mr. Foster introduced the item on the Consent Calendar for adoption.

Mr. McGlennon made a motion to adopt the item on the Consent Calendar.

The motion passed by a unanimous voice vote.

1. Amendment to Agreement for the Construction of Monticello Interceptor Force Main

RESOLUTION

AMENDMENT TO AGREEMENT FOR THE CONSTRUCTION OF

MONTICELLO INTERCEPTOR FORCE MAIN

WHEREAS, the James City Service Authority entered into an Interest Participation Agreement with the Hampton Roads Sanitation District providing the terms for the extension of a sewerage interceptor along Monticello Avenue; and

WHEREAS, during construction it was determined that extending the interceptor an additional 1,800 feet to avoid wetland areas was prudent; and

WHEREAS, the Agreement needs to be amended to include the additional 1,800 feet of interceptor.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the James City Service Authority, James City County, Virginia, authorizes the Chairman to sign the amendment to the Agreement incorporating the additional interceptor not included in the original Agreement.

C. BOARD REQUESTS AND DIRECTIVES

Mr. McGlennon requested information concerning the number of inquires from JCSA customers regarding their water bills and if the number of complaints is higher this cycle compared to previous cycles.

Mr. Foster stated that there are more inquiries regarding the water bills but there are a number of factors that may attribute to the inquiries such as the new rate structure and the dry fall.

Mr. Kennedy inquired about the impacts of the drought conditions on the number of well mitigations thus far.

Mr. Foster stated that the number of well mitigations has declined, but anticipates the number of requests for mitigation to increase this spring as a result of the extended dry season this fall and winter.

Mr. Wanner inquired if the Newport News Water Works has provided information concerning the impact of the dry season on its ability to supply water.

Mr. Foster stated that the Newport News Water Works is keeping in touch with localities and the reservoirs are at 80 percent of capacity.

D. ADJOURNMENT

Mr. McGlennon made a motion to adjourn.

The motion passed by a unanimous voice vote.

Mr. Goodson adjourned the Board at 10:12 p.m.

Sanford B. Wanner
Secretary to the Board

MEMORANDUM

DATE: March 26, 2002
TO: Board of Directors, James City Service Authority
FROM: John E. McDonald, Manager of Financial and Management Services
SUBJECT: Virginia Energy Purchasing Governmental Association

The Virginia Municipal League and the Virginia Association of Counties have gotten together to try to use the combined purchasing power of cities, counties, schools, and authorities in Virginia to achieve the best rates for electric power generation service. Under deregulation, the prices of electric power generation service will vary day-by-day from one vendor to another. The Virginia Energy Purchasing Governmental Association (VEPGA) has been formed to take advantage of this new environment. A list of Frequently Asked Questions for the VEPGA, a copy of the bylaws, and the joint powers agreement itself are included for reference in the Board of Supervisor's Reading File.

The County is required to adopt an ordinance authorizing membership in the VEPGA and that ordinance can be considered after a public hearing is held. The JCSA can adopt a resolution authorizing membership. A draft resolution is attached for your consideration. If there are any unanswered questions or comments, we would be happy to respond.

There is a cost associated with the County/JCSA participation. The annual dues for membership in the VEPGA for the upcoming fiscal year are \$1,372 for the County and approximately \$600 for the JCSA.

Staff recommends adoption of the attached resolution.

John E. McDonald

JEM/gb
energy2.mem

Attachment

RESOLUTION

APPROVING JOINT POWERS ASSOCIATION AGREEMENT

- WHEREAS, the VML/VACo Virginia Power Steering Committee (the “Committee”), composed of representatives of James City County, the James City Service Authority and other local governments and political subdivisions of the Commonwealth, has for over several decades negotiated on behalf of such governmental units a standard form contract for their purchase of electricity supply and delivery service from Virginia Electric and Power Company (“Virginia Power”) as a sole source provider; and
- WHEREAS, political subdivisions of the Commonwealth of Virginia are authorized under Virginia law to exercise jointly powers that they otherwise are authorized to exercise independently, and the terms and conditions of such authorization are currently set forth in Sections 15.2-1300, et seq. of the Virginia Code (the “Joint Powers Act”); and
- WHEREAS, the Virginia Electric Utility Restructuring Act (the “Restructuring Act”) further authorizes municipalities and other political subdivisions in the Commonwealth to aggregate their electricity supply requirements for the purpose of their joint purchase of such requirements from licensed suppliers, and the Restructuring Act provides that such aggregation shall not require licensure; and
- WHEREAS, the Virginia Public Procurement Act (the “Procurement Act”) exempts from its competitive sealed bidding and competitive negotiation requirements (the “Requirements”) the joint procurement by public bodies, utilizing competitive principles of electric utility services purchased through member associations under the conditions set forth in the Procurement Act; and
- WHEREAS, the Committee recommends that the aggregation and procurement of electric supply, electric delivery, and other energy-related services (“Energy Services”) be effectuated as provided in the Joint Powers Association Agreement, a copy of which is attached to and make part of this Resolution (the “Joint Powers Agreement”), in accordance with applicable provisions of the Procurement Act, such as the utilization of competitive principles pursuant to an exemption from the Requirements; and
- WHEREAS, the Committee also recommends that the other services provided by the Committee to its members be effectuated as provided in the Joint Powers Agreement, with such services consisting of: (i) assistance in implementing standard form contracts for the purchase of services from incumbent electricity utilities; (ii) education of members regarding electricity procurement issues; (iii) monitoring of legal and regulatory developments affecting the provision of electricity service to local governments; and (iv) hiring of consultants and legal counsel to assist in its provisions of the foregoing services (“Steering Committee Services”); and
- WHEREAS, it appearing to the Board of Directors of the James City Service Authority that the joint procurement of the Energy Services pursuant to the Joint Powers Agreement and the provision of the Steering Committee Services pursuant to the Joint Powers Agreement is otherwise in the best interests of the James City Service Authority.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the James City Service Authority, James City County, Virginia, that:

- (1) The procedures allowed under the Procurement Act for the joint procurement by public bodies, utilizing competitive principles, of electric utility services purchased through member organizations are acceptable in that they must be flexible enough to respond to quickly changing market conditions in which energy prices can fluctuate considerably on a daily or even hourly basis.
- (2) The aggregation and joint procurement of the Energy Services pursuant to the Joint Powers Agreement is hereby approved.
- (3) The provision of Steering Committee Services pursuant to the Joint Powers Agreement is hereby approved.
- (4) The Joint Powers Agreement and the performance of the terms and conditions thereof on behalf of the James City Service Authority are hereby authorized and approved.
- (5) The County Administrator is hereby authorized and directed to execute and deliver the Joint Powers Agreement on behalf of the James City Service Authority in substantially the form presented to this meeting.
- (6) The payment obligations of the James City Service Authority pursuant to the provisions hereof and the Joint Powers Agreement shall be subject to the annual approval of funds therefore in its budget by the Board of Directors.
- (7) This resolution shall take effect immediately upon its adoption.

Bruce C. Goodson
Chairman, Board of Directors

ATTEST:

Sanford B. Wanner
Secretary to the Board

Adopted by the Board of Directors of the James City Service Authority, James City County, Virginia, this 26th day of March, 2002.

jcsa.jointpowers.res

MEMORANDUM

DATE: March 26, 2002
 TO: The Board of Directors
 FROM: Larry M. Foster, General Manager, James City Service Authority
 SUBJECT: Reimbursement - Groundwater Treatment Facility

The James City Service Authority (JCSA) is in the design phase of a 5.0 million gallon per day Groundwater Treatment Facility (GTF). Funds have been appropriated to cover initial engineering work and test well exploration. The overall cost for the GTF is projected to be \$16.0 million. The project is proposed to be financed through a combination of current year appropriations, \$2.4 million; prior year fund balance, \$3.3 million; FY 03 connection fees, \$800,000; and a bond issue, \$9.5 million. The following are overall projected revenues and expenditures for the GTF:

<u>Revenues</u>	
FY 02 Appropriation	\$ 2,400,000
Prior Year Fund Balance	3,300,000
FY 03 Connection Fees	800,000
Bond Issue Proceeds	<u>9,500,000</u>
Total:	<u>\$16,000,000</u>

<u>Expenditures</u>	
Engineering Services	\$ 1,734,642
Test Wells	995,358
Production Wells	500,000
Virginia Power Installation	400,000
Off-Site Requirements	900,000
Access Road and Site Work	500,000
Treatment Facility	8,770,000
Bond Expenses	25,000
Contingency	<u>2,175,000</u>
Total:	<u>\$16,000,000</u>

The purpose of this reimbursement resolution is to gain approval from the Board to proceed with the Bond issue proposal and set in place the reimbursement process of bond proceeds for expenditures made on the GTF. This provision is in accordance with Treasury Regulations Section 1.1150.2.

Reimbursement Resolution - Groundwater Treatment Facility

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Some of the GTF project schedule target dates are as follows:

Bond Reimbursement Resolution Approved	March 2002
James City County Special Use Permit Issued	June 2002
Access Road & Site Grading Begins	June 2002
Access Road & Site Grading Completed	September 2002
Facility Design Complete	October 2002
Bond Issue	December 2002
Facility Construction Begins	January 2003
Facility Construction Complete	June 2004

Staff recommends that the Board approve the attached resolution.

Larry M. Foster

LMF/gb
treatment.mem

Attachment

RESOLUTION

REIMBURSEMENT - GROUNDWATER TREATMENT FACILITY

WHEREAS, the James City Service Authority (the "Authority") has made or will make expenditures (the "Expenditures") in connection with the financing of a groundwater treatment facility (the "Project"); and

WHEREAS, the Authority may determine that the funds advanced and to be advanced to pay Expenditures will be reimbursed to the Authority from the proceeds of one or more tax-exempt obligations to be issued by the Authority (the "Indebtedness").

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the James City Service Authority, James City County, Virginia, that:

1. The Authority hereby adopts this declaration of official intent under Treasury Regulations Section 1.150-2 and declares that the Authority intends to reimburse itself with the proceeds of Indebtedness for Expenditures made on, after, or within 60 days prior to the date hereof with respect to the Project, except that Expenditures made more than 60 days prior to the date hereof may be reimbursed as to certain de minimis or preliminary expenditures described in Treasury Regulations Section 1.150-2(f) and as to other expenditures permitted under applicable Treasury Regulations.
2. The maximum principal amount of Indebtedness expected to be issued for the Project is \$9,500,000.
3. This Resolution shall take effect immediately upon its adoption.

Bruce C. Goodson
Chairman, Board of Directors

ATTEST:

Sanford B. Wanner
Secretary to the Board

Adopted by the Board of Directors of the James City Service Authority, James City County, Virginia, this 26th day of March, 2002.

reimbursement.res

CERTIFICATION

The undersigned Secretary of the James City Service Authority hereby certifies that the foregoing constitutes a true, correct, and complete copy of a Resolution duly adopted by the James City Service Authority at a meeting duly called and held on the _____ day of _____, 2002, during which a quorum was present and acting throughout, by the vote set forth below, and that such Resolution has not been repealed, revoked, rescinded, or amended:

Authority Member

Present/Absent

Vote

WITNESS, my hand and the seal of the James City Service Authority, this _____ day
of _____, 2002.

Secretary, James City Service Authority

(SEAL)

#1039851

MEMORANDUM

DATE: March 26, 2002
 TO: The Board of Directors
 FROM: Larry M. Foster, General Manager, James City Service Authority
 SUBJECT: Plan Review Fee Briefing

The purpose of this briefing is to provide the Board with additional information on the proposed fee changes as requested at your January 22, 2002, meeting.

Plan Review Fees - Plan Review Fees have not been updated since April 1990. The purpose of this charge is to defray costs incurred for time used to provide technical reviews of private development related plans. Plan reviews include a variety of fees as shown on Attachment 1. The current James City County (JCC) and James City Service Authority (JCSA) fees are shown along with the proposed JCSA plan review fee changes. Examples of plan review fees before and after proposed change are shown on Attachment 2. Based on the type plan and number of plans reviewed, the projected revenue is estimated to be **\$25,350** in FY 03 compared to **\$6,930** budgeted in FY 02. It is estimated that 188 plans of various types will be submitted during FY 03 for review.

Inspection Fee for Water and Sewer Lines - The fee for inspection of developer installed water and sewer lines has not been updated since April 1990. The proposed fee is **\$1.43** per foot for every foot of water main and sewer main constructed. The fee is paid at the time of filing an application for a land disturbance permit. The current fee is **\$0.62** as reflected in James City County's Subdivision Ordinance. It is estimated that 78,000 feet of water and sewer line inspections will be made during FY 03 for projected revenue of **\$111,540** as compared to **\$80,850** budgeted in FY 02. Again, the proposed fees are based on the level of service required to inspect water and sewer lines as they are being installed.

Sub-Meter Account Charge - A new Sub-Meter Account Charge is proposed to recover the cost for additional time involved in administering a growing segment of the sewer customer base. Approximately 2,659 customers have irrigation sub-meters for outside watering purposes. A customer may register a sub-meter with the JCSA, take readings which typically coincide with the respective billing period, and submit the reading for an adjustment to the sewer bill. The purpose of this charge is to defray the cost incurred in clerical and bookkeeping activities, to send and receive sub-meter forms for each reading, and to make adjustments to the respective accounts. It is estimated that 4,160 hours are utilized in the Customer Services Section administering this function. The level of effort to provide these services is specific to this Sub-Meter segment of the JCSA customer base. An account charge of **\$18.00** annually is proposed for each customer that has a registered sub-meter. The payment for this charge will be prorated in equal amounts in the customers utility service charge billing. If the Board approves the proposed fee, a total of **\$47,862** is projected in FY 03 for this charge.

A public hearing is scheduled on April 23, 2002, as part of the budget process on these proposed fee changes.

Larry M. Foster

LMF/adw
 feebrief.mem

Attachments

Examples of Costs Before & After Fee Change

<u>Plan Review</u>		<u>Before</u>	<u>After</u>	<u>Percent</u>
Bruce's Super Body Shop (Site Plan Application)	Planning Division	\$ 884.00	\$ 884.00	
	Environmental Division	1,583.00	1,583.00	
	JCSA	<u>0.00</u>	<u>297.33</u>	
	Total	\$ 2,467.00	\$ 2,764.33	+12%
Stonehouse Lift Station (Subdivision Application)	Planning Division	\$ 314.40	\$ 314.40	
	Environmental Division	120.00	120.00	
	JCSA	<u>100.00</u>	<u>1,500.00</u>	
	Total	\$ 534.40	\$ 1,934.40	+262%
Greensprings Apartments & Condominiums (Site Plan Application)	Planning Division	\$17,820.00	\$17,820.00	
	Environmental Division	5,280.00	5,280.00	
	JCSA	<u>50.00</u>	<u>1,610.00</u>	
	Total	\$23,150.00	\$24,710.00	+7%
Williamsburg Christian Academy (Subdivision Application)	Planning Division	\$ 2,779.00	\$ 2,779.00	
	Environmental Division	6,100.00	6,100.00	
	JCSA	<u>50.00</u>	<u>513.00</u>	
	Total	\$ 8,929.00	\$ 9,392.00	+5%
Stonehouse, Hillcrest (Subdivision Application)	Planning Division	\$ 1,095.00	\$ 1,095.00	
	Environmental Division	450.00	450.00	
	JCSA	<u>28.00</u>	<u>550.00</u>	
	Total	\$ 1,573.00	\$ 2,095.00	+33%
Powhatan Village (Subdivision Application)	Planning Division	\$12,605.00	\$12,605.00	
	Environmental Division	5,225.00	5,225.00	
	JCSA	<u>219.00</u>	<u>5,325.00</u>	
	Total	\$18,049.00	\$23,155.00	+28%
Bruster's Ice Cream Shop (Site Plan Application)	Planning Division	\$ 928.00	\$ 928.00	
	Environmental Division	166.00	166.00	
	JCSA	<u>50.00</u>	<u>204.67</u>	
	Total	\$ 1,144.00	\$ 1,298.67	+14%