

A G E N D A

JAMES CITY SERVICE AUTHORITY BOARD OF DIRECTORS

County Government Center Board Room

June 22, 2010

7:00 P.M.

A. CALL TO ORDER

B. ROLL CALL

C. CONSENT CALENDAR

1. Bid Award - Powhatan Creek Interceptor Sewer Rehabilitation

D. PUBLIC HEARING

1. Amend Section 32-D Independent Water System Connection Fee to Increase the Fee from \$4,000 to \$8,000

E. BOARD CONSIDERATION

1. Contribution to VRS (Virginia Retirement System) Plan 2

F. BOARD REQUESTS AND DIRECTIVES

G. ADJOURNMENT to 7 p.m. on July 27, 2010

062210bod_age

MEMORANDUM

DATE: June 22, 2010
 TO: The Board of Directors
 FROM: Danny W. Poe, Chief Engineer - Wastewater, James City Service Authority
 SUBJECT: Bid Award – Lift Station 1-2 Flextran Rehabilitation Project

The plans and specifications for the rehabilitation of the Lift Station 1-2 Flextran gravity interceptor sewer have been publicly advertised and competitively bid. The project consists of rehabilitating approximately 11,500 feet of existing 18- to 21-inch Flextran gravity sewer pipe using the trenchless Cured-In Place Pipe (CIPP) lining method, and rehabilitating 38 manholes by installing watertight frames and covers and treating the interior with an epoxy coating. The project is necessary to ensure structural integrity of the existing Flextran pipe and to address Infiltration and Inflow that contributes to Sanitary Sewer Overflows. This project is expected to assist the James City Service Authority (JCSA) in complying with the Department of Environmental Quality (DEQ) State Order by Consent. Three bids were received as follows:

<u>Firm</u>	<u>Amount</u>
Reynolds Inliner, LLC	\$1,616,966.00
Tri-State Utilities Co.	2,456,789.01
Insituform Technologies, Inc.	2,940,922.00

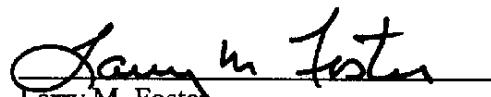
Reynolds Inliner, LLC’s bid has been determined to be responsive and responsible.

The bid is in line with the engineer’s final cost estimate of \$1,728,934 and adequate funds are available for the project.

Staff recommends that the Board approve the attached resolution authorizing the Lift Station 1-2 Flextran Rehabilitation Project to Reynolds Inliner, LLC for \$1,616,966.

Danny W. Poe

CONCUR:


 Larry M. Foster

DWP/gb
 BA_LS1-2Rehab_mem

Attachment

RESOLUTION

BID AWARD – LIFT STATION 1-2 FLEXTRAN REHABILITATION PROJECT

WHEREAS, the plans and specifications for the Lift Station 1-2 Flextran Rehabilitation Project have been publicly advertised and competitively bid with three firms submitting bids, ranging from \$1,616,966 to \$2,940,922; and

WHEREAS, Reynolds Inliner, LLC submitted the low bid and has been determined capable of completing the project.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the James City Service Authority, James City County, Virginia, hereby awards the Lift Station 1-2 Flextran Rehabilitation Project to Reynolds Inliner, LLC for a bid of \$1,616,966.

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 22nd day of June, 2010.

BA_LS1-2Rehab_res

M E M O R A N D U M

DATE: June 22, 2010

TO: The Board of Directors

FROM: Larry M. Foster, General Manager, James City Service Authority

SUBJECT: Amend Section 32-D Independent Water System Connection Fee to Increase the Fee from \$4,000 to \$8,000 per Lot

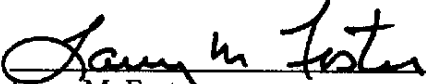
This meeting has been advertised, as required by Section 15.2-5136 of the Code of Virginia and directed by the Board at its March 23, 2010, meeting, as a public hearing to amend Section 32-D of the Regulations Governing Utility Service to increase the independent water system fee from \$4,000 to \$8,000 per lot.

The County's Subdivision Ordinance requires the installation of a Central Water System for any parcel that is subdivided to create six or more residential lots or requires the installation of a new access street/road. The James City Service Authority (JCSA) currently operates six independent water systems that were installed in compliance with this requirement. Three new water systems to meet this requirement are in progress.

In 2004, recognizing that independent water systems that are constructed in accordance with the above do not generate adequate revenues to cover operating costs, the Board approved a \$4,000 fee for each building lot created by a developer establishing a residential development that requires an independent water system. The proceeds of the fees collected were directed to be used to create an income generating fund, the proceeds of which would be used to offset the operating costs of the requisite water system.

An updated cost versus revenue evaluation completed in early 2010 revealed (copy attached) that an \$8,000 fee is necessary to generate adequate returns to offset the operating deficit of the independent water systems.

After conducting a public hearing on the proposed fee increase, staff recommends approval of the attached resolution amending Section 32-D of the Regulations Governing Utility Service to increase the fee from \$4,000 to \$8,000 per lot.


Larry M. Foster

LMF/nb
AmdSec32D_mem

Attachment

RESOLUTION

AMEND SECTION 32-D INDEPENDENT WATER SYSTEM CONNECTION FEE TO

INCREASE THE FEE FROM \$4,000 TO \$8,000 PER LOT

WHEREAS, Section 32-D of the James City Service Authority's (JCSA's) Regulations establishes a \$4,000 fee per lot to developers of independent water systems; and

WHEREAS, it has been determined that the proceeds from the investment of the fee is not adequate to offset costs of operations of the water systems as was originally intended; and

WHEREAS, an updated financial assessment indicates that an \$8,000 per lot fee is necessary to generate adequate funds to offset the costs of operating independent water systems.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the James City Service Authority, James City County, Virginia, hereby amends Section 32-D of the Regulations Governing Utility Service by increasing the per lot fee for independent water systems to \$8,000. This amendment shall be in effect upon its approval and will apply to all fees collected after its effective date.

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 22nd day of June, 2010.

AmdSec32D_res

Revenue versus Costs for Independent Water Systems

March 23, 2010

The number of customers, annual revenues and expenses for the most recent year for each of the independent water systems are as follows:

<u>Water System</u>	<u>Customers</u>	<u>Revenues</u>	<u>Expenses *</u>
Wexford(Riverview)	133	\$32,411	\$ 30,784
Racefield	33	10,793	32,203
Glenwood	33	6,251	37,015
Kings Village	48	13,304	33879
Ware Creek Manor	67	12,566	30,772
The Retreat	50	18,498	37,416
Total	364	\$93,793	\$202,679
Average Revenue per Customer			\$257
Average Costs per Customer			\$557
Revenue less Costs			(\$300)
Escrow per lot necessary to cover operating costs at 3.5% return=			\$8,571

*((\$10,000 is added to each facility to cover the costs of tank painting, permitting, and pump replacement, etc.)

SECTION 32. GENERAL RATE POLICY AND RATE SCHEDULE

A. General rate policy. The determination of rates for the Authority is based upon three interrelated elements:

1. Revenue requirements. Revenue requirements to ensure proper operation and maintenance, development and perpetuation of the system, legal requirements imposed by the Code of Virginia and by debt agreements, and maintenance of the Authority financial integrity.

Revenue requirements are generally defined under either a cash basis or a utility basis. EPA mandates a utility basis for a system constructed with grant funds and the major regulatory agencies endorse the utility basis for defining revenue requirements.

A brief visual comparison is shown below:

<u>Revenue requirements defined</u>	<u>Cash basis</u>	<u>Utility basis</u>
Operations and maintenance	X	X
Debt service - interest expense	X	X
Debt service - payment of principal and reserves	X	
Annual requirements for improvements	X	
Return on investment		X
Depreciation		X

The Authority endorses and uses the cash basis to define revenue requirements with improvements financed from commodity service charges and connection fees.

2. Allocation of costs to services provided. Water and wastewater systems are designed and built with several objectives and the associated costs should be allocated to these cost components, as follows:

<u>Water</u>	<u>Wastewater</u>
Base costs for service	Base costs for collection
Demand costs	Base costs for treatment
Customer costs	Demand costs
Direct fire protection	Customer costs
Future capacity	Future capacity

Water and wastewater systems must have the capacity, and therefore generate costs, to provide basic services for average consumption. They must also be designed to meet customer demands for peak usage - seasonal, maximum day and maximum hour. There are certain costs that are also associated with customers, such as meter reading and billing, that are not associated with usage. Water systems also provide capacity (and incur costs) for fire protection.

If a system can be developed to isolate these costs and assess them based upon the parties benefitted, then the "cost of service" assignment of costs philosophy is best met. This procedure is identified as the Base-Extra Capacity Method. The Authority has adopted a goal of fully implementing the base-extra capacity method to associate charges with service.

This rate policy is a major step in pursuit of that goal and generally has included the following basic tenets:

- (a) Base costs will be assigned to the overall customer base and a separate charge will be assessed for customer costs. The base costs will be billed, whenever possible, on the basis of demand or usage, using water consumption as measured by a meter.
 - (b) Costs of excess capacity shall be assessed against the entire customer base until a satisfactory method can be developed to assess these costs to specific beneficiaries.
 - (c) The costs of future capacity for both water and wastewater, as well as the specific costs for fire protection have been financed in the past by contributions from the County. A specific identification of the costs and benefits associated with future capacity and fire service should better define and clarify the County's role in utility financing.
3. Distribution of costs to customer classes. In the past the Authority has allocated costs to various customer classes based upon an estimate of equivalent residential units with average service requirements. The rate revisions proposed attempt to eliminate estimates of usage and substitute actual usage for customer classes based upon metered consumption. These rates clearly attempt to establish service charges most directly in relationship to the cost of service. Customer classes are defined by meter size. This meter size determines the capacity for service and therefore reflects the customer's proportional estimated use. Actual use will be the basis for billing unless actual use cannot be measured. In that case, estimated use based upon equivalent residential units will be assessed.

Costs relating to unique uses of the system, such as separate fire connections and grinder pumps, are proposed to be assessed separately to those customer classes who benefit.

The following are the rates and fees:

B. Wastewater charges.

1. System facilities charge. A system facility charge for wastewater collection service to be furnished through each new separate service connection which is to be made to a public sewer, regardless of who may have paid for the installation of the public sewer to which the connection is to be made, shall be paid by each applicant for service prior to the installation of service, as follows:

(a) Metered water service

Commercial, industrial, institutional, multifamily residential, and single-family residential:

<u>Meter size</u> <u>(inches)</u>	<u>Charge</u>	<u>Meter size</u> <u>(inches)</u>	<u>Charge</u>
5/8 Residential	\$ 400 per Bathroom Fixture	3	\$24,000
5/8 Nonresidential	2,500	4	37,500
3/4	3,500	6	75,000
1	4,000		
1-1/2	7,500		
2	12,000		

(b) Metered water service.

For mixed-use structures such as apartments, townhouses, timeshares, and residential condominium projects, the developer has three options to establish connection fees:

- (1) Individually meter each unit \$400 per Bathroom fixture
- (2) Meter each building in multibuilding projects \$400 per Bathroom fixture
or
- (3) Master meter the entire project \$325 per Bathroom fixture

Note: Should Option No. 3, master meter be selected, a \$325 per Bathroom fixture will be assessed and the JCSA will not be responsible for the water distribution system beyond the master meter or the on-site wastewater collection system. Meter size will be determined by the JCSA Engineering Division.

(c) Non-metered water service.

Where water is provided by an unmetered source, the following estimated charges shall be assessed:

<u>Activity, Use</u>	<u>Unit</u>	<u>Charge</u>
Single-family residences	Each	\$300 per Bathroom fixture
Single-family manufactured homes	Each	1,000
Manufactured homes in parks	Each lot	1,000
Two family, apartments and townhouses	Each	300 per Bathroom fixture
Schools (with showers)	Student	80
Schools (without showers)	Student	50
Motels and hotels	Room	650
Minimum		2,500
Manufacturing	Msf	300
Minimum		1,200
Warehouses	Msf	100
Minimum		1,200
Service stations	Each	1,200
Camping facilities	Each space	500
Minimum		1,200
Restaurants	Seat	20
Minimum		1,200
Commercial	Msf	N/A
Minimum		1,500
First	30,000 sq. ft.	500
Next	10,000 sq. ft.	450
Next	10,000 sq. ft.	400
Over	50,000 sq. ft.	350

The purpose of this charge is to defray in part the cost of providing force mains, pump stations, transmission mains, booster pumps, and other system facilities. The charge shall be paid prior to the issuance of a plumbing permit from Code Compliance.

2. Local facilities charge. A local facilities charge of \$1,050 for each separate connection to public sewer shall be paid by each applicant who desires to secure wastewater service therefrom, which charge shall be paid prior to the approval of the application for service; provided, however, in any instance where satisfactory evidence shows that an applicant has paid the cost of installation of the local facility to which the connection is to be made, either by installing the local facility at his expense and then conveying the same to the Authority (or its predecessors) or by reimbursing the Authority (or its predecessors) for the cost of such local facilities, the local facilities charge shall be waived. Additionally, when the Authority did not install or have a rebate agreement, the local facilities charge shall also be waived.

In situations where a new wastewater system has been installed by the Authority and whereas any applicant adjacent to this new system that has an existing septic system desires to secure wastewater service therefrom, the local facilities charge shall be waived for a period of 12 months from the completion date of the new wastewater system installation.

The purpose of this charge is to defray in part the cost of installing collection mains which are necessary to provide wastewater collection service to abutting properties and which have been provided at the expense of the Authority or persons, firms or corporations other than the applicant. The charge shall be paid prior to the issuance of a plumbing permit from Code Compliance.

3. Grinder Pump Installation and Maintenance Charge.

- (a) Any applicant for a sewer connection requiring a residential grinder pump may purchase the grinder pump (that meets Authority Standards and Specifications) plus ancillary parts from the Authority at cost if the grinder pump is necessary to replace an existing septic system. In addition, if the connection to the public sewer system is replacing a septic system, the applicant is eligible for the deferred payment plan discussed in Paragraph G, Section 2.
- (b) The Authority may, at the applicant request, install the residential grinder pump for the cost of materials as stated above plus labor and equipment costs. These costs are in addition to the normal Sewer System Facilities Charge if required. Grinder pumps will normally be installed within the existing right-of-way where the force main is located. If the topography dictates that the grinder pump be located within the applicants property then the Authority will prepare the necessary plat and easement for the applicant to execute to permit installation of the grinder pump on the applicants property.
- (c) A annual grinder pump maintenance charge of \$300.00 shall be paid for each separate connection to a grinder pump when the operation and maintenance of said residential grinder pump is the responsibility of the Authority. The payment for this charge will be prorated in equal amounts in the customers utility service charge billing. The Authority shall not maintain nonresidential grinder pumps or other commercial pump stations unless such utility maintenance is deemed by the Authority to be in the interest of the public health or is necessary to protect the integrity of the system, or such facility is located within a designated Reservoir Protection Zone.
- (d) Maintenance of sewage grinder pumps is the responsibility of the property owner. The property owner may contract with the JCSA for maintenance services. Maintenance contracts are between the property owner and the JCSA, and are not transferable or assignable by the property owner. Upon a transfer of title or ownership of the land upon which the grinder pump is located, a new contract for maintenance may be formed with the JCSA at the owner's election. Any prior

contracts for sewage pump maintenance shall be terminated upon transfer of title or ownership.

4. Service connection charge. A service connection charge shall be paid by each applicant for each new service connection prior to the approval of the application therefor, as follows:

<u>Service installed by:</u>	<u>Charge</u>
Developer, applicant	\$10 per connection inspection fee
Authority	Actual cost times 1.25, including overhead

The purpose of this charge is to defray the cost of installation or inspection of a service connection from the public sewer main in the street to the curb or property line.

The service connection charge shall be waived provided the applicant has paid a local facilities charge and the sewer service line is not greater than 6 inches in diameter for a gravity main or 2 inches in diameter for a force main. In the event that the service connection charge is not waived, the local facilities charge will be applied against the service connection charge.

5. Retail service rates. The wastewater service charge shall be based on usage from a metered water source where available. For wastewater service on an unmetered water source a meter size equivalent shall be used, based upon an estimated charge.

- (a) Metered water source.

Charge for all collection and treatment of wastewater

<u>Volume</u>	<u>Collection</u>
Per 1,000 gallons of water consumed	\$2.80
Per 100 cubic feet of water consumed	\$2.09

Metered water usage shall be reduced by a metered reading from a landscaping meter or similar device if the landscaping meter or device is registered with the Authority.

A copy of the deduction meter reading must be received by the Authority 20 days prior to the end of each billing period. Regardless of the length of time, sub-meter reading adjustments will only be allowed up to the consumption in the current billing period.

(b) Unmetered water source.

Where no meter exists or where meter readings are not made available by the water supplier to the Authority, then the following estimated charges shall be assessed:

<u>Activity, use</u>	<u>Unit</u>	<u>Collection</u>
Single-family residences	Each	\$ 42.00
Single-family mobile homes	Each	42.00
Mobile homes in parks	Each lot	37.25
Duplex, apartments and townhouses	Each	37.25
Schools (with showers)	Student	4.25
Schools (without showers)	Student	2.65
Motels and hotels	Room	18.55
Minimum		186.70
Manufacturing	Msf	11.10
Minimum		55.85
Warehouses	Msf	7.45
Minimum		46.50
Service stations	Each	49.95
Camping facilities	Each space	16.25
Minimum		64.25
Restaurants	Seat	4.95
Minimum		55.85
Commercial	Msf	18.55
Minimum	1,000 Sq. Ft.	55.85
Churches	Each	40.65
Swimming pools	Sfe	40.65
Laundromats	Sfe	40.65

Others to be established when needed.

The purpose of the retail service charge is to defray all other costs of providing wastewater collection for domestic, commercial and industrial uses including replacement, renewals, extensions; and repayment of money borrowed to acquire or construct the wastewater collection and transmission system.

C. Water charges.

1. System facilities charge. A system facilities charge for water service to be furnished through each new separate service connection which is to be made to a public water main, regardless of who may have paid for the installation of the public water main to which the connection is to be made, shall be paid by each applicant for service prior to the installation of the water service connection, as follows:

(a) Metered water service.

Commercial, industrial, institutional, multifamily residential and single-family residential:

<u>Meter size</u> <u>(inches)</u>	<u>Charge</u>	<u>Meter size</u> <u>(inches)</u>	<u>Charge</u>
5/8 Residential	\$ 500 per Bathroom fixture	3	\$24,000
5/8 Nonresidential	2,500	4	37,500
3/4	3,500	6	75,000
1	4,000		
1-1/2	7,500		
2	12,000		

(b) Metered water service.

For mixed-use structures such as apartments, townhouses, timeshares, and residential condominium projects, the developer has three options to establish connection fees:

- (1) Individually meter each unit - \$500 per Bathroom fixture
- (2) Meter each building in multibuilding projects - \$500 per Bathroom fixture
or
- (3) Master meter the entire project - \$350 per Bathroom fixture

Note: Should Option No. 3, master meter be selected, a \$350 per Bathroom fixture will be assessed and the JCSA will not be responsible for the water distribution system beyond the master meter or the on-site wastewater collection system. Meter size will be determined by the JCSA Engineering Division.

The purpose of this charge is to defray in part the cost of providing major supply, transmission main, booster pumping and distribution storage facilities. The charge shall be paid prior to the issuance of a plumbing permit from Code Compliance.

2. Local facilities charge. A local facilities charge of \$1,300.00 for each separate connection to an existing water main shall be paid by each applicant who desires to secure water service therefrom, which charge shall be paid prior to the approval of the application for service; provided, however, in any instance where satisfactory evidence shows that an applicant for a connection has paid the cost of installation of the local facility to which the connection is to be made, either by installing the local facility at his expense and then conveying the same to the Authority (or its predecessors) or by reimbursing the Authority (or its predecessors) for the cost of such local facility, the local facilities charge shall be waived. Additionally, where the Authority did not install or have a rebate agreement, the local facilities charge shall also be waived.

The purpose of this charge is to defray in part the cost of installing mains, valves and fire hydrants which are necessary to provide water service to abutting properties and which have been provided at the expense of the Authority or persons, firms or corporations other than the applicant. The charge shall be paid prior to the issuance of a plumbing permit from Code Compliance.

3. Service connection charge. A service connection charge shall be paid by each applicant for each new service connection and meter installation prior to the approval of the application, as follows:

<u>Installation of connection by</u>	<u>Charge</u>
Developer, applicant	\$10 per meter inspection fee
Authority	Actual cost times 1.25, including overhead

The purpose of this charge is to defray the cost of installation or inspection of a service connection from the water main in the street to the curb or property line and the installation of a meter either at the curb or property line or within the premises.

The service connection charge shall be waived provided the applicant has paid a local facilities charge and the water service line is not greater than 2 inches in diameter. In the event that the service connection charge is not waived, the local facilities charge will be applied against the service connection charge.

4. Retail service charge. Water service shall be based upon a commodity charge for all consumption, as follows:

<u>Residential:</u>	<u>Volume</u>	<u>Charge</u>
First Block	Less than 15,000 gallons per Quarter	\$2.85 per 1,000 gallons (\$2.13 per 100 cubic feet)
Second Block	The next 15,000 gallons up to 30,000 gallons per Quarter	\$3.45 per 1,000 gallons (\$2.58 per 100 cubic feet)
Third Block	More than 30,000 gallons per Quarter	\$9.80 per 1,000 gallons (\$7.33 per 100 cubic feet)
 <u>Nonresidential:</u>	 <u>Volume</u>	 <u>Charge</u>
	Per 1,000 gallons	\$3.45
	Per 100 cubic feet	\$2.58

The purpose of the retail service charge is to defray all costs of providing water service for domestic, commercial and industrial uses and for firefighting purposes, including repayment of moneys borrowed to acquire or construct the water system; operation and maintenance; and renewals, replacements and extensions.

- D. Independent Water Systems Connection Fee. The developer of any Independent Water System for which the development plans are submitted in accordance with the provisions of Section 19-57, Water Facilities of the Subdivision Ordinance, shall be required to pay a per-lot or residential unit Independent Water System Connection Fee of \$4,000 ~~\$8,000~~ to the JCSA for each lot or residential unit created by the subdivision prior to the JCSA accepting the facilities for operation and maintenance.

The monies collected shall be placed in a dedicated account; the proceeds and investment returns will be used to offset the costs of operating the Independent Water Systems created after August 10, 2004. Should it become financially practical for the JCSA to connect an Independent Water System constructed under these provisions to the JCSA Central Water System and all necessary land use approvals are obtained from the County, then the monies deposited in the account for such system shall be used to offset the costs of constructing the infrastructure to connect the two water systems. Any balance of the funds will remain in the JCSA account and be used to offset the operating deficits of the Independent Water System created after August 10, 2004.

1. Contractual Agreement. Any developer (person, corporation or partnership) of an Independent Water System that is to be dedicated to the JCSA shall enter into an agreement with the JCSA prior to approval by the JCSA of the Independent Water Facility submission. The agreement shall set forth, at a minimum, the following:
 - a. The location, size, and capacity of the facilities to be constructed;
 - b. The developer's obligation to comply with the requirements of the JCSA regulations Section 29.A.2; and
 - c. The obligation of the developer to dedicate and the JCSA to accept the facilities pursuant to Section 29.A.4. of the JCSA regulations and after payment of the Independent Water Connection Fee set forth in Paragraph D above.
 2. System Facilities Charge Exemption. Any lots created after August 10, 2004, which are to be served by an Independent Water System, shall be exempt from the Water System Facilities Charge set forth in Section 32. C. 1. of the Regulations Governing Utility Service.
- E. Exceptions to local, system facilities charges. The provisions of Section 29 above shall be observed when there is a conflict between Section 29 and the provisions of Sections 32 (B) and 32 (C) above.
- F. Billing and account charges. The following charges shall be assessed for any customer billed by the Authority.

1. Account charge. An account charge of \$10.00 (\$20.00 if the meter is read) shall be paid by each applicant for continuing service, whether for a new account or for a transfer of account, for water and/or wastewater service.

The purpose of this charge is to defray the cost incurred in clerical and bookkeeping activities, the turning on of services and/or meter reading required for each new account or transfer of account.

2. Transaction charge for late payment. A transaction charge for late payment of 1.5% will be assessed on the balance due once the bill is delinquent and then every 30 days thereafter. The late charge will be added to a bill in the event the bill is not paid within 30 days following the date thereof.

The purpose of this charge is to defray the cost associated with the rebilling of accounts not paid on a prompt basis.

3. Interest charge for late payments with a lien. An interest charge for late payment of 8 percent simple interest on the principal (delinquent amount) due, shall be added to any account when a lien has been placed upon real estate. Such lien on any real estate may be discharged by the payment to the Authority of the total lien amount, penalty, and the interest which has accrued to the date of the payment.

4. Restoration of service charge. Where service has been terminated on account of the nonpayment of any bill, a restoration of service charge of \$30.00 (\$100.00 for a single service wastewater customer not on metered water service) shall be paid before service is restored, except as defined in Section 17 (A)(2).

The purpose of this charge is to defray the expenses of terminating and restoring service, including clerical and bookkeeping activities.

5. Meter test deposit. A test of a water meter shall be done at the request of a water customer upon payment of a meter test deposit as defined in Section 11. If the meter is found to be 3 percent or more fast then the deposit shall be refunded. If inoperable or 25 percent or more slow, the deposit shall be credited against a revised billing. The deposit shall be determined by meter size, as follows:

<u>Meter size</u>	<u>Deposit</u>
5/8" - 2"	\$30
3" and over	\$80

6. Fire hydrant charge. For customer-requested hydrants installed under the provisions of Section 21, there shall be an installation cost of actual cost plus an allowance of 25 percent for overhead. The applicant shall deposit with the Authority an estimated fee prepared by the Authority, subsequently adjusted at the completion of the installation with costs exceeding the estimate billed or, in case the estimate exceeds the cost, refunded to the applicant.

The purpose of this charge is to assess to the user the cost of installing fire hydrants for the benefit of the applicant.

7. Temporary water service charge. Under the provisions of Section 22, an applicant for temporary service shall pay, upon application, for the estimated costs of installing, replacing and removing the facilities which are required to furnish such services plus an allowance of 25 percent for overhead. The applicant shall receive a refund if the estimate exceeds the actual. The applicant shall also pay service charges and all charges caused by a late payment or nonpayment. The applicant may also be required to post a deposit as described in Section 6.
8. Fire connection detector check meter charge. Fire connection detector check meters shall be read and billed at least annually or on a more frequent basis, as determined by the Authority. Rates governing normal water usage shall be assessed.

Fire connection detector check meters monitor non-fire flow usage from a fire connection and there should be little or no water activity.

- G. **Multiple charges bills. All charges and fees above are in addition to charges and fees assessed and owed to Newport News Waterworks, the Hampton Roads Sanitation District, or any other private or municipal utility.**
- H. **No free service. There shall be no utility service provided to any customer without the assessment of service charges.**
- I. Plan Review Fee. The following charges shall be assessed for the appropriate plan. The purpose of this charge is to defray cost incurred for time used to provide engineer technical review.

<u>Document</u>	<u>Collection</u>
REZONINGS	
5 acres or less	\$100
Greater than 5, but less than 10 acres	\$150
Greater than 10 acres	\$200
SPECIAL USE PERMITS (SUP)	
General	\$200
Family Subdivision	\$ 50
Wireless Communication Facilities	\$ 50
Other	\$ 50

SITE PLANS

Administrative Review

Residential Structures (Multifamily)	\$300 plus \$5 per unit
Nonresidential Structures	\$300
Mixed Use Structures	\$200 plus \$5 per residential unit
Utility Easement Plat Review	\$300

Planning Commission Review

Residential Structures (Multifamily)	\$300 plus \$5 per unit
Nonresidential Structures	\$300
Mixed Use Structures	\$300 plus \$5 per residential unit
Utility Easement Plat Review	\$300

Amendment to an Approved Plan

Residential Structures (Multifamily)	\$150 plus \$2 per residential unit
Nonresidential Structures	\$150
Mixed Use Structures	\$150 plus \$2 per residential unit
Utility Easement Plat Review	\$150
Each additional review after second resubmission	\$150

MASTER PLAN REVIEW

Initial Review	\$600
Revision of plan	\$600

CONCEPTUAL PLAN FOR WATER AND SEWER

General	\$100
Master Utility Plans and Modeling	\$300
Each additional review after second resubmission	\$150

SUBDIVISION PLAN REVIEW

No Public Improvements Required	\$75
Public Improvements Required	\$300 per plan plus \$5 per lot
Wastewater Pumping Station	\$2,000
Well Facility	\$3,000
Each additional review after second resubmission	\$150

- J. Inspection Fee. There shall be an inspection fee of \$25.00 for the third and subsequent inspections for water and sewer service connections. These will include, but are not limited to,

water meter box installations, water and sewer service line connections, and grinder pump installations. This charge will be paid prior to the third and/or subsequent inspections.

The purpose of this fee is to defray the expenses of making multiple on-site inspections to correct previously identified deficiencies.

- K. Sub-Meter Account Charge. An account charge of \$18.00 shall be paid annually by each customer who has established a Sub-Meter Account. The payment for this charge will be prorated in equal amounts in the customer utility service charge billing.

The purpose of this charge is to defray the cost incurred in clerical and bookkeeping activities. The sending out and receiving of sub-meter forms for each reading and making adjustments to the respective accounts.

- L. Inspection Fee for Water and Sewer Lines. There shall be a fee for the inspection of public water and sewer installations. Such fee shall be \$2.87 per foot for every foot of water main and sewer main constructed and shall be submitted at the time of filing an application for a certificate to construct.

The purpose of this change is to defray the cost incurred to make the actual inspection of the water and sewer lines.

- M. Outdoor Water Use Fee. The following fee or fees will be assessed for any customer or builder who installs referenced outdoor watering devices or systems.

- 1. Outdoor Hose Bib Fee. There shall be Outdoor Hose Bib Fee of \$500.00 established for each residential and commercial account that has an outdoor hose bib installed. This fee will be paid prior to issuance of Plumbing Permit by the County Code Compliance Office.
- 2. Lawn Irrigation System Fee. There shall be a Lawn Irrigation System Fee established for each residential and commercial account as described below:

<u>Lot Size</u>	<u>Connection Fee</u>
Up to 10,000 Sq. Ft.	\$250.00
10,001 to 30,000 Sq. Ft.	\$500.00
30,001 to 45,000 Sq. Ft.	\$800.00
Over 45,000 Sq. Ft.	\$1,400.00

This fee will be paid to the JCSEA prior to issuance of a Lawn Irrigation Permit by the County Code Compliance Office.

The purpose of the above fees are to defray in part the cost of providing major supply, transmission main, booster pumping and distribution storage facilities.

MEMORANDUM

DATE: June 22, 2010

TO: The Board of Directors

FROM: Larry M. Foster, General Manager

SUBJECT: Contribution to Virginia Retirement System (VRS) Plan 2

Beginning July 1, 2010, there will be two Virginia Retirement System (VRS) Plans. Current members, retirees and members with service credit in VRS will remain in the present plan, now called VRS Plan 1 while new members or prior members with no service credit will be enrolled in the newly established VRS Plan 2.

The Board of Directors needs to decide whether the James City Service Authority will pay for or “pick up” all, part, or none of the employee contribution to the new VRS Plan 2.

Background:

The VRS premium is comprised of an employer share, which is actuarially determined, and an employee share, which is five percent. In 1976, employers were first allowed to “pick up” the five percent employee share and, as part of the adopted budget for fiscal year 1980, the James City Service Authority picked up the employee share in lieu of a pay raise.

In 1990, when the State Retirement Act was recodified, an employer’s decision to pick up the employee portion became irrevocable. To comply with IRS guidance, a VRS memorandum in July 2008 requested that localities demonstrate a “formal authorization” of their pick-up plan and a Board of Directors resolution adopted at the August 12, 2008, meeting fulfilled that requirement.

Recent Events

The 2010 Virginia General Assembly passed new plan provisions for employees hired on or after July 1, 2010, with no prior VRS service credit. VRS Plan 2 has different provisions that make it less lucrative than Plan 1, such as such as increasing the minimum age for unreduced retirement and averaging the highest five years instead of three years to compute the benefit amount.

The Code stipulates that under Plan 2, employees will pay their five-percent contribution through pre-tax payroll deduction. However, certain employers, including local governments and school divisions, may elect to pay some or all of the five percent on the employee’s behalf.

Due to the timing of the release of the information and sample resolution from VRS, most Boards and Councils have not yet made the decision whether to pick up the five-percent employee share or not. Some localities have indicated they are planning to recommend picking up the five percent, but have not taken it to their Boards or Councils yet.

Of the localities that have decided, the City of Williamsburg, City of Hampton, Gloucester County and the Southeast Public Service Authority’s (SPSA) Boards voted to pick up the five-percent employee share and the City of Virginia Beach decided not to pick it up.

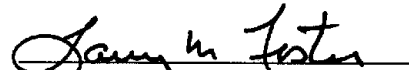
Recommendation:

I recommend that the James City Service Authority pick up the five-percent employee share for the VRS Plan 2 employees for the following reasons:

- It treats new employees and current employees equitably.
- It will help us remain competitive in our ability to recruit and retain core positions.
- We have been reducing the number of positions and hiring fewer new employees, which helps control benefits costs.
- The lesser benefits of Plan 2 should help control costs.

If an extreme situation is encountered in the future, we can revisit this issue, since a decision to pick up the employee share of VRS for Plan 2 employees is revocable. This recommendation is consistent with one made by the County Administrator for James City County employees.

A draft resolution is attached.


Larry M. Foster

LMF/tlc

jcsa_vrs_mem.pre

Attachment

RESOLUTION

CONTRIBUTION TO VIRGINIA RETIREMENT SYSTEM (VRS) PLAN 2

- WHEREAS, the Virginia General Assembly in its 2010 session passed legislation creating a separate retirement plan for employees hired on or after July 1, 2010 (hereafter referred to as “Plan 2 Employees”). The legislation stipulates that Plan 2 Employees will pay their five-percent member contribution and that, absent other action by the employer, such contribution will be paid through salary reduction according to Internal Revenue Code § 414 (h) on a pre-tax basis; and
- WHEREAS, the legislation allows certain employers, including the James City Service Authority, to pick up and pay all or a portion of the member contributions on behalf of its Plan 2 Employees as an additional benefit not paid as salary; and
- WHEREAS, the election to pick up and pay all or a portion of the member contributions on behalf of its Plan 2 Employees as an additional benefit not paid as salary shall, once made, remain in effect for the applicable fiscal year (July 1 - June 30) and shall continue in effect beyond the end of such fiscal year absent a subsequent resolution changing the way the five-percent member contribution is paid; and
- WHEREAS, employee contributions that are picked up as an additional benefit not paid as salary are not considered wages for purposes of VA Code § 51.1-700 et seq. nor shall they be considered salary for purposes of VA Code § 51.1-100 et seq.; and
- WHEREAS, the James City Service Authority desires to pick up and pay its Plan 2 Employees’ member contributions to VRS as an additional benefit not paid as salary in an amount equal to five percent of creditable compensation; and
- WHEREAS, VRS tracks such picked-up member contributions and is prepared to treat such contributions as employee contributions for all purposes of VRS.
- NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the James City Service Authority, James City County, Virginia, that effective the first day of July 2010, the James City Service Authority shall pick up member contributions of its Plan 2 Employees to VRS as an additional benefit not paid as salary in an amount equal to five percent of creditable compensation subject to the terms and conditions described above.
- BE IT FURTHER RESOLVED that such contributions, although designated as member contributions, are to be made by the James City Service Authority in lieu of member contributions.
- BE IT FURTHER RESOLVED that nothing herein shall be construed so as to permit or extend an option to VRS members to receive the picked-up contributions made by the James City Service Authority directly instead of having them paid to VRS.

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 22nd day of June, 2010.

VRSPlan2_res