

A G E N D A

JAMES CITY SERVICE AUTHORITY

County Government Center Board Room

April 23, 2002

7:00 P.M.

A. ROLL CALL

B. CONSENT CALENDAR

1. Minutes: March 26, 2002, Regular Meeting

C. PUBLIC HEARING

1. Changes to the Regulations Governing Utility Service

D. BOARD CONSIDERATIONS

1. Award of Contract - Ironbound (New Town) Water Storage Facility
2. Amendment to Regulations Governing Utility Services - Drought Contingency Plan

E. BOARD REQUESTS AND DIRECTIVES

F. ADJOURNMENT

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 MARCH, 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 items on the Consent Calendar for adoption.

Mr. Brown requested Item Number 4, Reimbursement – Groundwater Treatment Facility, be pulled.

Mr. Harrison made a motion to adopt the remaining items on the Consent Calendar.

The motion passed by a unanimous voice vote.

1. Minutes - January 22, 2002, Regular Meeting
2. Minutes - February 26, 2002, Regular Meeting
3. Virginia Energy Purchasing Governmental Association

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.

4. Reimbursement - Groundwater Treatment Facility

Mr. Foster stated that a 5.0 million gallon-per-day Groundwater Treatment Facility (GTF) is in the design phase and funds have been appropriated to cover the initial engineering work and test well exploration. The project is proposed to be financed through a combination of appropriations, fund balances, connection fees, and through a \$9.5 million bond issue.

Staff requests the Board of Directors approve the resolution to proceed with the Bond issue proposal and set in place the reimbursement process of bond proceeds for expenditures made on the GTF.

Mr. Brown made a motion to adopt the resolution.

The motion passed by a unanimous voice vote.

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.

C. PRESENTATION

1. Plan Review Fee

Mr. Bob Smith, Assistant General Manager of the James City Service Authority, provided an overview of the proposed fee changes as requested by the Board of Directors on January 22, 2002. Mr. Smith stated that the proposed fee changes were to defray costs incurred for staff time used to provide service for reviewing private development related plans, rising costs associated with inspections, and the additional time involved in administering a growing segment of the sewer customer base for outdoor irrigation.

Mr. Smith stated that for FY 03, the proposed fee for inspections of developer installed water and sewer lines will be \$1.43 per foot of water main and sewer main construction.

Mr. Brown requested clarification regarding the anticipated additional revenue for inspection fees and plan fees at \$55,000 for FY 03.

Mr. Smith stated that \$55,000 is what staff anticipates in additional revenue as a result of the implementation of the proposed fee adjustments.

Mr. Goodson requested information regarding the public hearings for the proposed fee increases.

Mr. Smith stated that public hearings are scheduled for April 23, 2002, as part of the budget process.

Mr. Smith also stated that the annual account charge of \$18 is proposed for each customer that has a registered sub-meter.

Mr. Harrison inquired if the accuracy of bills as questioned by the James City Service Authority (JCSA) will minimize concerns through adjusted monitoring techniques.

Mr. Foster stated that JCSA customers will be notified of an increase in their quarterly billings with the annual sub-meter fees, and customer will also continue to see credit for sewer costs associated with use of a sub-meter.

Mr. McGlennon requested the number of sub-meters installed over the last five years and the estimated homeowner savings by the use of a sub-meter.

Mr. Foster stated that staff will compile the information for the Board.

D. BOARD REQUESTS AND DIRECTIVES - None

E. ADJOURNMENT

Mr. Kennedy made a motion to adjourn until 7:00 p.m. on April 23, 2002.

The motion passed by a unanimous voice vote.

Mr. Goodson adjourned the Board at 7:51 p.m.

Sanford B. Wanner
Secretary to the Board

032602bd.min

MEMORANDUM

DATE: April 23, 2002
 TO: The Board of Directors
 FROM: Larry M. Foster, General Manager, James City Service Authority
 SUBJECT: Changes to the Regulations Governing Utility Service

The attached resolution authorizes changes to the “Regulations Governing Utility Service.” These changes are indicated on the attached pages of the Regulations and is an effort to update Plan Review Fees which have not been changed since April 1990. The proposed fee schedule reflects the cost of performing the review. The Board of Supervisors will also hold a public hearing on the fee changes in the “Code of James City County, Virginia.”

Additionally, staff proposes to establish a Sub-Meter Account Charge in recognition of the additional time involved in administering this growing segment of the customer base. Staff also proposes to incorporate the inspection fee for water and sewer lines in the “Regulations Governing Utility Service.”

The attached changes propose to do the following:

1. Set the Plan Review Fee Schedule as follows:

| | <u>Proposed</u> | <u>Existing</u> |
|--------------------------------------------|---------------------------------------------------------------------------------------------|-----------------|
| <u>Rezoning</u> | | |
| 10 acres or less \$ 100 | | \$ 50 |
| Greater than 10 but less than 50 acres | 150 | 100 |
| Greater than 50 acres | 200 | 200 |
| <u>Special Use Permits</u> | | |
| General (New) | 200 | 0 |
| Family Subdivision (New) | 50 | 0 |
| <u>Site Plans</u> | | |
| <u>Administrative Review</u> | | |
| Residential Structures (Multifamily) (New) | 200 plus \$5 per unit | |
| Nonresidential Structures (New) | 200 plus \$0.004 per sq. ft. of building area | |
| Mixed-Use Structures (New) | 200 plus \$5 per residential unit plus \$0.004 per sq. ft. of non-residential building area | |
| <u>Planning Commission Review</u> | | |
| Residential Structures (Multifamily) | 200 plus \$5 per unit | 50 |
| Nonresidential Structures | 200 plus \$0.004 per sq. ft. of building area | 50 |
| Mixed-Use Structures | 200 plus \$5 per residential unit plus \$0.004 per sq. ft. of non-residential building area | 50 |

| <u>Amendment to an Approved Plan</u> | | |
|---------------------------------------------|-----------------------------------------------------------------------------------------------------|-----|
| Residential Structures (Multifamily) | 50 plus \$2 per unit | 25 |
| Nonresidential Structures | 50 plus \$0.001 per sq. ft. of building area. | 25 |
| Mixed-Use Structures (New) | 50 plus \$2 per residential unit plus \$0.001 per sq. ft. of non-residential building area | |
| <u>Master Plan Review</u> | | |
| Initial Review | 600 | 75 |
| Revision of Plan (New) | 600 | 0 |
| <u>Subdivision Plan Review</u> | | |
| No Public Improvements Required (New) | 25 | 0 |
| Public Improvements Required | 150 | 25 |
| Wastewater Pumping Station or Well Facility | 1,500 | 100 |

2. Establish a Sub-Meter Account Fee:

Sub-Meter Account Charge. An account charge of \$18 shall be paid by each customer who has established a Sub-Meter Account. The payment for this charge will be prorated in equal amounts in the customers' 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.

3. Establish an Inspection Fee for water and sewer lines:

Inspection Fee for Water and Sewer Lines. There shall be a fee for the inspection by the service authority of public water and sewer installations. Such fee shall be \$1.43 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 land disturbance permit. The current fee is \$0.62 as reflected in James City County's Subdivision Ordinance. The current fee has not been changed since April 1990 and is an effort to recover the actual costs of inspections.

This public hearing is in accordance with Section 15.1-1260 of the Code of Virginia, which requires a 60-day notice for sewer-related service charge changes.

Staff recommends approval of the attached resolution.

Larry M. Foster

LMF/gs
pubhear03.mem

Attachments

RESOLUTION

CHANGES TO THE REGULATIONS GOVERNING UTILITY SERVICE

WHEREAS, the Board of Directors of the James City Service Authority set a Public Hearing on April 23, 2002, for proposed changes to the Regulations Governing Utility Service.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the James City Service Authority, James City County, Virginia, hereby request staff to initiate review of Section 32, General Rate Policy and Rate Schedule, Regulations Governing Utility Service and make changes to the rates, fees, and charges which are summarized below to be effective July 1, 2002.

1. Set the Plan Review Fee Schedule as follows:

Rezoning

| | |
|----------------------------------------|--------|
| 10 acres or less | \$ 100 |
| Greater than 10 but less than 50 acres | 150 |
| Greater than 50 acres | 200 |

Special Use Permits

| | |
|------------------|-----|
| General | 200 |
| Amendment to SUP | 50 |

Site Plans

Administrative Review

| | | |
|--------------------------------------|-----|---------------------------------------------------------------------------------|
| Residential Structures (Multifamily) | 200 | Plus \$5 per unit |
| Nonresidential Structures | 200 | Plus \$0.004 per sq. ft. of building area |
| Mixed Use Structures | 200 | Plus \$5 per residential unit, plus \$0.004 per sq. ft. of non-residential area |

Planning Commission Review

| | | |
|--------------------------------------|-----|---------------------------------------------------------------------------------|
| Residential Structures (Multifamily) | 200 | Plus \$5 per unit |
| Nonresidential Structures | 200 | Plus \$0.004 per sq. ft. of building area |
| Mixed Use Structures | 200 | Plus \$5 per residential unit, plus \$0.004 per sq. ft. of non-residential area |

Amendment to an Approved Plan

| | | |
|--------------------------------------|----|---------------------------------------------------------------------------------|
| Residential Structures (Multifamily) | 50 | Plus \$2 per residential unit |
| Nonresidential Structures | 50 | Plus \$0.001 per sq. ft. of building area |
| Mixed Use Structures | 50 | Plus \$2 per residential unit; plus \$0.001 per sq. ft. of non-residential area |

Master Plan Review

| | |
|------------------|-----|
| Initial Review | 600 |
| Revision of Plan | 600 |

Subdivision Plan Review

| | |
|---------------------------------------------|-------|
| No Public Improvements Required | 25 |
| Public Improvements Required | 150 |
| Wastewater Pumping Station or Well Facility | 1,500 |

2. Establish a Sub-Meter Account Fee:

Sub-Meter Account Charge. An account charge of \$18.00 shall be paid 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.

3. Establish an Inspection Fee:

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 \$1.43 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 land disturbance permit.

BE IT FURTHER RESOLVED, that the complete proposed amendments be made part of this resolution.

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 23rd day of April, 2002.

MEMORANDUM

DATE: April 23, 2002
 TO: The Board of Directors
 FROM: Larry M. Foster, General Manager, James City Service Authority
 SUBJECT: Award of Contract - Ironbound (New Town) Water Storage Facility

A major component of the Water Master Plan is the construction of a 1.0 million-gallon water storage facility. The planned facility is located at the intersection of Monticello Avenue and Ironbound Road (relocated), adjacent to the WMBG Radio Station building. The Board approved a special use permit for the facility in August 2001.

The plans and specifications for the project have been publicly advertised for competitive bid. Bids were opened on April 8, 2002, with two firms submitting bids as follows:

| <u>Firm</u> | <u>Bid Amount</u> |
|----------------------------------------|-------------------|
| Henderson, Inc. | \$1,996,000 |
| T. A. Sheets, General Contractor, Inc. | 2,380,000 |

The low bid exceeds the engineer's estimate of \$1,800,000 for the project. Staff attributes this difference to two reasons: 1) the market for this type of project appears to be active at this time as indicated by the fact that we only received two bids; and, 2) the construction techniques for the project are somewhat unique. The project requires connecting two round tank structures that experience thermal expansion to a somewhat traditional building.

There are sufficient funds available in the JCSA Capital Budget to cover the costs of the project. Henderson, Inc., has satisfactorily performed work for the JCSA in the past.

Staff recommends that the Board approve the attached resolution awarding the contract for the construction of the Ironbound (New Town) Water Storage Facility to Henderson, Inc., for \$1,996,000.

Larry M. Foster

LMF/gs
 ironwaterconstr.mem

Attachment

RESOLUTION

CONTRACT AWARD - IRONBOUND (NEW TOWN) WATER STORAGE FACILITY

WHEREAS, the Water Master Plan provides for the construction of a 1.0 million-gallon water storage facility as a key component of the James City Service Authority's water infrastructure needs; and

WHEREAS, the plans and specifications for the facility as prepared by AES, Engineers have been publicly advertised for competitive bid with two firms submitting proposals; and

WHEREAS, Henderson, Inc., submitted the low bid of \$1,996,000 and has satisfactorily performed similar work for the JCSA.

NOW THEREFORE BE IT RESOLVED that the Board of Directors of the James City Service Authority, James City County, Virginia, awards the contract in the amount of \$1,996,000 for the construction of the Ironbound (New Town) Water Storage Facility to Henderson, Inc.

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 23rd day of April, 2002.

ironwaterconstr.res

M E M O R A N D U M

DATE: April 23, 2002

TO: The Board of Directors

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

SUBJECT: Amendment to Regulations Governing Utility Service - Drought Contingency Plan

The Department of Environmental Quality issues permits to the James City Service Authority (JCSA) that provide the conditions for the JCSA to withdraw groundwater to provide to its customers. One of the terms of the permit is the requirement that the JCSA have a Drought Management Plan (Plan). The Plan is included in the JCSA's Regulations Governing Utility Service. It provides a definition of the benchmarks for which the JCSA will enter into each of these three stages of drought management. As an example, when the specified conditions are met, the JCSA would enter Stage I of a drought declaration - in this case the Plan provides that the JCSA asks customers to voluntarily conserve water. The JCSA implemented Stage I of the Plan in the summers of 1999 and 2000.

The benchmarks that trigger when JCSA will enter into each of the three stages of the Plan are based on the number of days, water demands exceed a predetermined percentage of the water system's Permit to Operate issued by the Virginia Department of Health (VDH). The Plan provides that for Stage I average daily demand will exceed 80 percent of the VDH - Permit to Operate for 15 days.

When the Plan was developed, JCSA did not have any experience with similar plans. In addition, other similar plans available as models were for surface water systems. Experience with the current Plan indicates that modifications are in order to better accommodate the JCSA's groundwater based system. Not only do the thresholds/benchmarks need modification, some of the actions required at the various stages need adjustments.

The following is a summary of the recommended substantive changes to the Plan:

Section 33. Water Conservation and Drought Management Plan

B. Drought Contingency Plan

5. (a) – Stage I - average daily demands exceeds 90% of the DEQ Groundwater Withdrawal Permit maximum daily withdrawal for 30 days vs 80% of the VDH Operating Permit for 15 consecutive days.

(b) - Stage II - average daily demand exceeds 90% of the DEQ Groundwater Withdrawal Permit maximum daily for 45 days vs.80% of the VDH Operating Permit for 30 consecutive days.

(c) - Stage III - average daily demand exceeds 90% of the DEQ Groundwater Withdrawal Permit maximum daily withdrawal for 60 days vs. 90% of the VDH permit for 90 consecutive days.

(d) - Stage IV - establishes that the Board of Supervisors, County Administrator or his designee may implement additional restrictions if after 30 days of Stage III restriction water demands have not stabilized.

6. Emergency Actions:

- Stage I - Mandatory designated day outdoor watering based on an odd/even street number system. New construction under County's Landscape Ordinance may delay landscape installation with a bond when drought declaration is evoked. This is in lieu of voluntary water conservation measures.
- Stage II - Eliminates requirement for Mandatory water conservation of at least 15% and 100% surcharge for exceeding the level (near impossible to define because of 3-month billing schedule)
- Stage III - No change
- Stage IV - Added broad language to allow drastic action to curb water use in extremely critical situations.

7. Revocation of Drought Declaration:

Reduced from 30 days to 15 days the number of days below the benchmarks to revoke various drought declaration stages.

Attached is a copy of the Plan and proposed amendments. Staff recommends approval of the attached resolution authorizing amendments to Section 33 of the Regulations Governing Utility Service. The Water Conservation Committee has been offered the opportunity for input and has endorsed the proposed amendments.

Larry M. Foster

LMF/gs
utilsvcdrought.mem

Attachments

RESOLUTION

AMENDMENT TO REGULATIONS GOVERNING UTILITY SERVICE

DROUGHT CONTINGENCY PLAN

WHEREAS, the Regulations Governing Utility Service provide the guidelines, policies, and practices for operating the James City Service Authority; and

WHEREAS, it is prudent to amend the Regulations to address changing needs; and

WHEREAS, Section 33 of the Regulations includes provisions for a Drought Contingency Plan, which provide guidelines for implementing a drought management effort; and

WHEREAS; it has been determined that modifications to the Plan will improve JCSA's ability to address drought conditions as they relate to water supply.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the James City Service Authority, James City County, Virginia, authorizes amendments to Section 33 of the Regulations Governing Utility Service per the attached.

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 23rd day of April, 2002.

utilsvcdrought.res