

A G E N D A

JAMES CITY SERVICE AUTHORITY BOARD OF DIRECTORS

County Government Center Board Room

May 27, 2014

7:00 P.M.

A. CALL TO ORDER

B. ROLL CALL

C. CONSENT CALENDAR

1. Minutes –
 - a. April 22, 2014, Regular Meeting – pg. 1
2. Emergency Purchase Order - Groundwater Treatment Facility - Lower Potomac Production Well #1 (LP 1) Rehabilitation, Cleaning, and Production Capacity Testing - \$166,281 – pg. 4
3. Employer Contribution Rates – pg. 7

D. PUBLIC HEARING

E. BOARD CONSIDERATIONS

1. Resolution of Appropriation - James City Service Authority (JCSA) - Fiscal Year 2015 Budget – pg. 13

F. BOARD REQUESTS AND DIRECTIVES

G. ADJOURNMENT – until 7 p.m. on June 24, 2014

052714bod-age

AT A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE JAMES CITY SERVICE AUTHORITY, JAMES CITY COUNTY, VIRGINIA, HELD ON THE 22ND DAY OF APRIL 2014, AT 7:00 P.M. IN THE COUNTY GOVERNMENT CENTER BOARD ROOM, 101 MOUNTS BAY ROAD, JAMES CITY COUNTY, VIRGINIA.

A. CALL TO ORDER

B. ROLL CALL

James G. Kennedy, Chairman
Mary K. Jones
John J. McGlennon
Michael J. Hipple
Kevin D. Onizuk

M. Douglas Powell, General Manager and Secretary to the Board
Leo P. Rogers, County Attorney

C. CONSENT CALENDAR

Mr. McGlennon made a motion to approve the Consent Calendar.

The motion passed by a unanimous voice vote.

1. Minutes –
 - a. March 26, 2014, Regular Meeting

D. PUBLIC HEARINGS

1. Public Hearing on FY 2015-2016 James City Service Authority (JCSA) Budget

Ms. Suzanne R. Mellen, Assistant Director of Financial and Management Services, addressed the Board giving a summary of the memorandum included in the Agenda Packet. She stated that no action was required of the Board at this time. She recommended that at the conclusion of the Public Hearing, that it be closed and the Board vote on the appropriation resolution at its May 27, 2014, regular meeting.

As there were no questions for staff, Mr. Kennedy opened the Public Hearing.

As no one wished to speak to the JCSA Budget, Mr. Kennedy closed the Public Hearing.

The Board agreed to vote on the appropriation resolution at its next regularly scheduled meeting.

2. Utility Easements Extinguishment - 4509 and 4520 Casey Boulevard, Settlers Market

Mr. Powell addressed the Board giving a summary of the memorandum included in the Agenda Packet.

As there were no questions for staff, Mr. Kennedy opened the Public Hearing.

As no one wished to speak to this matter, Mr. Kennedy closed the Public Hearing.

Mr. McGlennon made a motion to approve the resolution.

On a roll call vote, the vote was: AYE: Mr. Kennedy, Mr. Hipple, Mr. McGlennon, Mr. Onizuk, Ms. Jones (5). NAY: (0).

RESOLUTION

UTILITY EASEMENTS EXTINGUISHMENT -

4509 and 4520 CASEY BOULEVARD, SETTLERS MARKET

WHEREAS, the James City Service Authority (JCSA) has water main easements located where a proposed common area and building will be constructed on a portion of Lot 1 Parcel #1C and Parcel #2B in Settlers Market at 4509 and 4520 Casey Boulevard. JCSA has no future plans to use the portions of the easements to be extinguished.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the James City Service Authority, James City County, Virginia, having conducted the required public hearing, hereby authorizes the General Manager to sign the necessary documents extinguishing portions of the JCSA easements on Parcel Nos. 3843300001C and 3843300002B as identified on a plat, prepared by AES Consulting Engineers, and dated February 28, 2014.

E. BOARD CONSIDERATIONS – None

F. BOARD REQUESTS AND DIRECTIVES

Mr. Kennedy stated that the odd-even watering begins on May 1, 2014, and requested that the information be made available to citizens on the County website, on the public access television, in water bills, and distributing a press release.

G. ADJOURNMENT – until 7 p.m. on May 27, 2014, for the Regular Meeting

Mr. McGlennon made a motion to adjourn.

The motion passed by a unanimous voice vote.

M. Douglas Powell
Secretary to the Board

042214bod-min

M E M O R A N D U M

DATE: May 27, 2014

TO: The Board of Directors

FROM: M. Douglas Powell, General Manager, James City Service Authority

SUBJECT: Emergency Purchase Order - Groundwater Treatment Facility - Lower Potomac Production Well #1 (LP 1) Rehabilitation, Cleaning, and Production Capacity Testing - \$166,281

In the spring of 2013, the pump and motor assembly in the LP 1 well at the Groundwater Treatment Facility failed and fell hundreds of feet in the well, cracking the well casing and requiring specialized retrieval services to remove the assembly and associated cable. On June 25, 2013, the Board approved an Emergency Purchase Order Change Order for this retrieval work for a total Emergency Purchase Order in the amount of \$151,247 to A.C. Schultes of Maryland, Inc. The Emergency Purchase Order price was based on a recent competitive sealed bid for the removal and reinstallation of a similar assembly.

Once the retrieval work was complete, the well needed to be rehabilitated, cleaned, and tested before it could return to production. An Emergency Purchase Order was issued to A.C. Schultes of Maryland, Inc. in the amount of \$166,281 for this second phase of work with three tasks: rehabilitation with liner installation, cleaning, and production capacity testing. The Purchasing Policy requires Board approval for the award of all contracts over \$100,000. Due to the urgent need to return the well to service as soon as possible, the purchase order was issued prior to Board approval.

Task 1 consisted of rehabilitating the well by lining the cracked casing with a custom designed tapered metal liner installed at a depth of approximately 800 feet. Task 2 consisted of cleaning the well by air lifting approximately 135 feet of rock and sand bottom debris and swabbing the screens in the lower 440 feet of the well to regain production capacity. Task 3 consisted of testing to make sure adequate production capacity had been restored through the rehabilitation and cleaning efforts and that debris was no longer entering the well through cracks in the casing.

Staff recommends approval of the attached resolution.


M. Douglas Powell

MDP/gb
EmerPurcOrd-mem

Attachment

RESOLUTION**EMERGENCY PURCHASE ORDER - GROUNDWATER TREATMENT FACILITY -****LOWER POTOMAC PRODUCTION WELL #1 (LP 1) REHABILITATION,****CLEANING, AND PRODUCTION CAPACITY TESTING - \$166,281**

WHEREAS, Emergency Purchase Order 314025 was issued to A.C. Schultes of Maryland, Inc. for well rehabilitation with liner installation, cleaning, and production capacity testing; and

WHEREAS, the Purchasing Policy requires Board approval for the award of all contracts over \$100,000.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the James City Service Authority, James City County, Virginia, hereby approves the award of Emergency Purchase Order 314025 for LP 1 Rehabilitation, Cleaning, and Production Capacity Testing to A.C. Schultes of Maryland, Inc. in the amount of \$166,281.

James G. Kennedy
Chairman, Board of Directors

ATTEST:

M. Douglas Powell
Secretary to the Board

	<u>AYE</u>	<u>NAY</u>	<u>ABSTAIN</u>
KENNEDY	___	___	___
JONES	___	___	___
MCGLENNON	___	___	___
ONIZUK	___	___	___
HIPPLE	___	___	___

Adopted by the Board of Directors of the James City Service Authority, James City County, Virginia, this 27th day of May, 2014.

EmerPurcOrd-res

MEMORANDUM

DATE: May 27, 2014

TO: The Board of Directors

FROM: M. Douglas Powell, General Manager, James City Service Authority

SUBJECT: Employer Contribution Rates

The Board of Directors must choose whether the James City Service Authority (JCSA) will pay the Virginia Retirement System (VRS) Employer Rate certified by the VRS Board of Trustees for Fiscal Years 2015 and 2016 of 8.49 percent of covered payroll, or the Alternate Rate of 6.79 percent of covered payroll, which is 80 percent of the 8.49 percent rate listed above.

Background:

The VRS Employer Contribution Rate is recalculated every two years. Actuarial valuations are conducted and presented to the VRS Board of Trustees, which certifies an Employer Rate. The JCSA’s Employer Rate is increasing by 0.66 percent of covered payroll.

To offer localities and schools some budget relief for the coming fiscal year with respect to the amount of their retirement contributions, the 2013 Appropriation Act, Item 468(H), allows the governing body to choose between paying the VRS Board-Certified Rate or the higher of the current rate or 80 percent of the VRS Board-Certified Rate for Fiscal Years 2015 and 2016.

If the lower, Alternate Rate is chosen, it will:

- Reduce contributions to our employer account and the investment earnings they would have generated, which will mean there will be fewer assets available for benefits.
- Result in a lower funded ratio when the next actuarial valuation is performed and, thus, a higher calculated contribution rate at that time.
- Require that we include the Net Pension Obligation (NPO) under Governmental Accounting Standards Board (GASB) Standards in notes to our financial statements.

Recommendation:

Pay the VRS Employer Rate certified by the VRS Board of Trustees for Fiscal Years 2015 and 2016 of 8.49 percent of covered payroll because:

- This puts our VRS account in better financial standing.
- If we don’t pay now, we will be paying even higher rates later.
- It relieves us from having to include an NPO under GASB Standards in notes to our financial statements.

- The adopted budget contains funds to pay the VRS Board-Certified Rate.

The VRS requires adoption of the attached resolution before July 1, 2014.



M. Douglas Powell

MDP/tlc
EmpContBOD-2014-mem

Attachment

RESOLUTION**EMPLOYER CONTRIBUTION RATES**

BE IT RESOLVED that the James City County Service Authority 55455 does hereby acknowledge that its contribution rates effective July 1, 2014 shall be based on the higher of a) the contribution rate in effect for FY 2014, or b) eighty percent of the results of the June 30, 2013 actuarial valuation of assets and liabilities as approved by the Virginia Retirement System Board of Trustees for the 2014-16 biennium (the "Alternate Rate") provided that, at its option, the contribution rate may be based on the employer contribution rates certified by the Virginia Retirement System Board of Trustees pursuant to Virginia Code § 51.1-145(I) resulting from the June 30, 2013 actuarial value of assets and liabilities (the "Certified Rate"); and

BE IT ALSO RESOLVED that the James City County Service Authority 55455 does hereby certify to the Virginia Retirement System Board of Trustees that it elects to pay the following contribution rate effective July 1, 2014:

(Check only one box)

The Certified Rate of 8.49% The Alternate Rate of 6.79%; and

BE IT ALSO RESOLVED that the James City Service Authority 55455 does hereby certify to the Virginia Retirement System Board of Trustees that it has reviewed and understands the information provided by the Virginia Retirement System outlining the potential future fiscal implications of any election made under the provisions of this resolution; and

NOW, THEREFORE, the officers of James City Service Authority 55455 are hereby authorized and directed in the name of the James City County Service Authority to carry out the provisions of this resolution, and said officers of the James City Service Authority are authorized and directed to pay over to the Treasurer of Virginia from time to time such sums as are due to be paid by the James City Service Authority for this purpose.

James G. Kennedy
Chairman, Board of Directors

ATTEST:

M. Douglas Powell
Secretary to the Board

	<u>AYE</u>	<u>NAY</u>	<u>ABSTAIN</u>
KENNEDY	_____	_____	_____
JONES	_____	_____	_____
MCGLENNON	_____	_____	_____
ONIZUK	_____	_____	_____
HIPPLE	_____	_____	_____

Adopted by the Board of Directors of the James City Service Authority, James City County, Virginia, this 27th day of May, 2014.

EmpContBOD-2014-res

CERTIFICATE

I, _____, Secretary of the James City Service Authority certify that the foregoing is a true and correct copy of a resolution passed at a lawfully organized meeting of the James City Service Authority held at _____, Virginia at _____ o'clock on _____, 2014. Given under my hand and seal of the James City Service Authority this _____ day of _____, 2014.

Secretary

This resolution must be passed prior to July 1, 2014 and received by VRS no later than July 10, 2014.

EmpContBOD-2014-res



P.O. Box 2500, Richmond, Virginia 23218-2500
 Toll free: 1-888-VARETIR (827-3847)
 Web site: www.varetire.org
 E-mail: vrs@varetire.org

May 2, 2014

JAMES CITY COUNTY SERVICE AUTHORITY – 55455

Language in the 2013 Appropriations Act, Item 468(H), allowed localities to make an election regarding their employer contribution rate every biennium. You have the opportunity again this year to select which employer contribution rate your locality will pay, beginning July 1, 2014.

Included with this letter is the employer contribution resolution your local governing body will need to pass and then send in to communicate to VRS their election decision.

Employer Retirement Contribution Rate Election

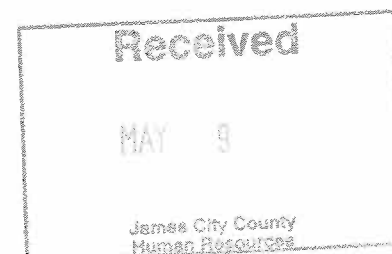
By no later than July 1, 2014, your local governing body must approve one of the following employer contribution rate options for the defined benefit retirement plan in the biennium beginning July 1, 2014:

- 8.49% – the rate certified by the VRS Board of Trustees for the FY 2015-2016 biennium; or
- 6.79% – the alternate rate, which is the higher of the rate certified by the VRS Board for FY 2012 or 80 percent of the VRS Board-certified rate for FY 2015-2016.

Considerations in Electing Your Contribution Rate

The intent of the language in the 2013 Appropriation Act, Item 468(H) was to offer localities and schools some budget relief for the coming fiscal year with respect to the amount of their retirement contributions. However, this does not change the Board-certified rate or the recommended employer contribution rate. Therefore, if you are considering using the Alternate Rate, please be aware that doing so will:

- Reduce contributions to your employer account and the investment earnings they would have generated, which will mean there will be fewer assets available for benefits.



Contribution Rate Resolutions

Page 2

- Result in a lower funded ratio when the next Actuarial Valuation is performed and, thus, a higher calculated contribution rate at that time.
- Require that you include the Net Pension Obligation (NPO) under the Governmental Accounting Standards Board (GASB) Standards in your financial statements.

Deadline for Resolutions

VRS must receive your formal signed resolution for the employer retirement contribution rate election **by no later than July 10, 2014**. Please send all resolutions to Ms. ZaeAnne Sferra, Employer Coverage Coordinator at P.O. Box 2500, Richmond, VA 23218-2500.

If you have any questions about the information in this packet, please contact Ms. ZaeAnne Sferra, Employer Coverage Coordinator, at zsferra@varetire.org or (804) 775-3514.

Best regards.

Sincerely,



Robert P. Schultze
Director

MEMORANDUM

DATE: May 27, 2014
TO: The Board of Directors
FROM: M. Douglas Powell, General Manager, James City Service Authority
SUBJECT: Resolution of Appropriation - James City Service Authority (JCSA) - Fiscal Year 2015 Budget

Attached for Board consideration and adoption is the resolution for the FY 15 budget appropriations for the James City Service Authority (JCSA):

- Water Fund
- Sewer Fund
- Administration Fund
- Capital Improvements Program
- Debt Service Fund

Staff recommends adoption of the attached resolution.


M. Douglas Powell

MDP/gb
JCSA-FY15BudApp-mem

Attachment

RESOLUTION**RESOLUTION OF APPROPRIATION –****JAMES CITY SERVICE AUTHORITY (JCSA) - FISCAL YEAR 2015 BUDGET**

WHEREAS, the General Manager has prepared a proposed budget for the fiscal year beginning July 1, 2014, and ending June 30, 2015; and

WHEREAS, the Board of Directors has considered said budget and does now propose to adopt the budget.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the James City Service Authority, James City County, Virginia, that the following amounts are hereby adopted and appropriated for operations and activities in the amounts as shown below:

1. The following amounts are hereby appropriated in the **Water Fund**:

Water Fund - Revenues:

Service Charges	\$5,919,910
Interest	88,510
Miscellaneous	<u>30,621</u>
	<u>\$6,339,041</u>

Water Fund - Expenses:

Administrative Fund Allocation	\$2,797,327
Direct Expenses	3,226,714
Capital Equipment Outlay	165,000
CIP Transfer-Kingswood	<u>150,000</u>
	<u>\$6,339,041</u>

2. The following amounts are hereby appropriated in the **Sewer Fund**:

Sewer Fund - Revenues:

Service Charges	\$5,684,197
Interest	78,490
Grinder Pump Changes	180,000
Miscellaneous	<u>135,000</u>
	<u>\$6,077,687</u>

Sewer Fund - Expenses:

Administrative Fund Allocation	\$3,862,975
Direct Expenses	1,759,712
Grinder Pump Expenses	321,000
Capital Equipment Outlay	<u>134,000</u>
	<u>\$6,077,687</u>

3. That the following amounts are hereby appropriated for the funds as indicated below:

ADMINISTRATIVE FUND

Revenues:

Allocated to Water Fund	\$2,797,327
Allocated to Sewer Fund	<u>3,862,975</u>
	<u>\$6,660,302</u>

Expenses:

Personnel Expenses	\$4,703,004
Operating Expenses	1,784,298
Capital Outlay	<u>173,000</u>
	<u>\$6,660,302</u>

CAPITAL IMPROVEMENTS PROGRAM

Revenues:

Water Facility Charges	\$2,252,000
Sewer Facility Charges	1,500,000
Water Fund Transfer - Kingswood	150,000
Reserves Transfer	<u>2,000,000</u>
	<u>\$5,902,000</u>

Expenses:

Water Supply	\$4,211,000
Water Distribution	200,000
Water Transmission	500,000
Sewer System Improvements	891,000
Other Projects	<u>100,000</u>
	<u>\$5,902,000</u>

DEBT SERVICE FUND

Revenue:

Capital Improvements Program Contribution	\$1,646,000
	<u>\$1,646,000</u>

Expense:

Revenue Bonds, Series 2008	\$1,646,000
	<u>\$1,646,000</u>

James G. Kennedy
Chairman, Board of Directors

ATTEST:

M. Douglas Powell
Secretary to the Board

	<u>AYE</u>	<u>NAY</u>	<u>ABSTAIN</u>
KENNEDY	_____	_____	_____
JONES	_____	_____	_____
MCGLENNON	_____	_____	_____
ONIZUK	_____	_____	_____
HIPPLE	_____	_____	_____

Adopted by the Board of Directors of the James City Service Authority, James City County, Virginia, this 27th day of May, 2014.