

A G E N D A
JAMES CITY SERVICE AUTHORITY BOARD OF DIRECTORS
REGULAR MEETING
County Government Center Board Room
101 Mounts Bay Road, Williamsburg, VA 23185
March 24, 2020
4:00 PM

A. CALL TO ORDER

B. ROLL CALL

1. Remote Participation Policy

C. PRESENTATIONS

D. PUBLIC COMMENT

E. CONSENT CALENDAR

1. Minutes Adoption

F. PUBLIC HEARING(S)

G. BOARD CONSIDERATION(S)

1. Affirmation of Emergency Staffing Plan and Authorizations to Address a Local Emergency Related to Coronavirus (Covid-19)
2. Contract Award - Server Hardware and Software Replacement - \$168,205
3. Contract Award – Elevated Storage Tank ES-1 Repair - \$300,000
4. Resolution Authorizing the Issuance and Sale of Revenue Bonds, Series 2020

H. BOARD REQUESTS AND DIRECTIVES

I. GENERAL MANAGER'S UPDATE

J. ADJOURNMENT

1. Adjourn until 5 p.m. on April 14, 2020 for the Joint Budget Public Hearing

ITEM SUMMARY

DATE: 3/24/2020

TO: The Board of Directors

FROM: Teresa J. Fellows, Deputy Secretary

SUBJECT: Remote Participation Policy

ATTACHMENTS:

	Description	Type
	Resolution	Resolution

REVIEWERS:

Department	Reviewer	Action	Date
Board Secretary	Fellows, Teresa	Approved	3/24/2020 - 1:21 PM

RESOLUTION

ADOPTION OF A POLICY FOR REMOTE PARTICIPATION IN MEETINGS

BY JAMES CITY SERVICE AUTHORITY BOARD MEMBERS

WHEREAS, Virginia Code Section 2.2-3708.2 permits remote participation in meetings by members of a public body upon adoption of a policy governing such participation; and

WHEREAS, the Board of Directors of the James City Service Authority desires to adopt a policy in conformance with the requirements of Virginia Code Section 2.2-3708.2.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the James City Service Authority, James City County, Virginia, does hereby adopt the following policy for remote participation in meetings:

Pursuant to Section 2.2-3708.2 of the Code of Virginia, the following policy is established for members' remote electronic participation in meetings of the James City Service Authority Board of Directors (the "Board") due to a personal matter or a disability or other medical condition. A Board member may participate in a meeting through electronic communication means from a remote location that is not open to the public only as follows:

1. A personal matter
 - a. On or before the day of a meeting, the member shall notify the chair of the Board that the member is unable to attend the meeting due to a personal matter. The member must identify with specificity the nature of the personal matter.
 - b. A quorum of the Board must be physically assembled at the primary or central meeting location. The Board members must approve the participation by a majority vote. The decision shall be based solely on the criteria in this resolution, without regard to the identity of the member or matters that will be considered or voted on during the meeting. The Clerk of the Board shall record in the Board's minutes the specific nature of the personal matter and the remote location from which the absent member participated. If the absent member's remote participation is disapproved because such participation would violate this policy, such disapproval shall be recorded in the Board's minutes.
 - c. Participation by the absent member due to a personal matter shall be limited in each calendar year to two meetings.
2. A temporary or permanent disability or other medical condition
 - a. The member shall notify the chair of the public body that the member is unable to attend the meeting due to a temporary or permanent disability or medical condition that prevents his or her physical presence.

- b. A quorum of the Board must be physically assembled at the primary or central meeting location. The Clerk of the Board shall record in the Board's minutes the fact of the disability or other condition and the remote location from which the absent member participated.
3. For any remote participation, the Board shall make arrangements for the voice of the absent member or members to be heard by all persons in attendance at the meeting location.

P. Sue Sadler
Chairman, Board of Directors

ATTEST:

Teresa J. Fellows
Deputy Secretary to the Board

	VOTES		
	<u>AYE</u>	<u>NAY</u>	<u>ABSTAIN</u>
MCGLENNON	_____	_____	_____
LARSON	_____	_____	_____
HIPPLE	_____	_____	_____
ICENHOUR	_____	_____	_____
SADLER	_____	_____	_____

Adopted by the Board of Directors of the James City Service Authority, James City County, Virginia, this 24th day of March, 2020.

RemoteMtgPartcptn-res

ITEM SUMMARY

DATE: 3/24/2020

TO: The Board of Directors

FROM: Teresa J. Fellows, Deputy Secretary

SUBJECT: Minutes Adoption

ATTACHMENTS:

	Description	Type
	022520 Regular Meeting	Minutes

REVIEWERS:

Department	Reviewer	Action	Date
Board Secretary	Fellows, Teresa	Approved	3/17/2020 - 4:20 PM

MINUTES
JAMES CITY SERVICE AUTHORITY BOARD OF DIRECTORS
REGULAR MEETING
County Government Center Board Room
101 Mounts Bay Road, Williamsburg, VA 23185
February 25, 2020
4:00 PM

A. CALL TO ORDER

B. ROLL CALL

Michael J. Hipple, Powhatan District
Ruth M. Larson, Vice Chairman, Berkeley District - via phone
John J. McGlennon, Roberts District
James O. Icenhour, Jr., Jamestown District
P. Sue Sadler, Chairman, Stonehouse District

Scott A. Stevens, Secretary to the Board
Adam R. Kinsman, County Attorney
M. Douglas Powell, General Manager

Ms. Sadler requested a motion to allow Ms. Larson, who was out of town on business, to participate via phone for the Board of Directors Meeting per policy for extenuating circumstances.

A motion to allow Ms. Larson to participate by phone was made by James Icenhour, the motion result was Passed.

AYES: 4 NAYS: 0 ABSTAIN: 0 ABSENT: 1

Ayes: Hipple, Icenhour, Jr, McGlennon, Sadler

Absent: Larson

C. PRESENTATIONS

1. Davenport and Company - Discussion of Potential Borrowing

Mr. Powell addressed the Board noting an upcoming presentation. He further noted he had spoken with each member informally about the potential for borrowing to expedite completion of two neighborhood projects. Mr. Powell noted those neighborhoods were White Oaks and Kings Wood, which had been in the James City Service Authority's (JCSA) Capital Improvements Program for a while. He further noted these projects were to replace antiquated and undersized water lines, which would increase reliability and enhance public safety with increased water loads in the event of fires. He added the design and engineering for the White Oaks project had begun. Mr. Powell introduced Mr. David Rose, Manager of Public Finance and Senior Vice President for Davenport and Company, JCSA's financial advisor. Mr. Powell noted Mr. Rose would explain the potential borrowing and its impacts. Mr. Powell further noted the proposed borrowing amount was \$9 million, which he added should be less than both projects' costs. He noted if there was any remaining balance, JCSA had sufficient funds to cover the difference. Mr. Powell noted JCSA did not want to borrow more than was needed. He further noted no formal action was needed from the Board at this time, but rather an informal show of support. Mr. Powell added that if the support was there, then a formal resolution would be drafted for approval at the March 24, 2020 Board meeting.

Mr. Rose addressed the Board noting the strength and stability of the JCSA. He highlighted a JCSA overview regarding funding options in a PowerPoint presentation. He noted the excellent bond ratings of JCSA. Mr. Rose recommended a public sale, similar to that used with the schools several years ago. Mr. Rose highlighted tax-exempt interest rate trends in his presentation. He continued his presentation with JCSA's current ratings and the population impact to those ratings by Moody's and Standard and Poor's observations. Mr. Rose noted the strength of JCSA in the Peer Comparative - Days Cash on Hand slide and noted the relation of population size (less than 100,000) to various localities portrayed in the presentation. He continued with a third metric, Debt Service Coverage, and its impact on JCSA. Mr. Rose noted the excellent metric for JCSA. He further noted Existing Debt Service and JCSA's strength in this area with paying off its debt. Mr. Rose highlighted the recommended plan of finance and noted the strength of the County and JCSA as well as the collaborative efforts between the Board and staff. Mr. Rose continued his presentation highlighting a public sale versus a direct bank placement. He noted the net savings equated to approximately \$20,000-\$25,000 annually. He further noted that was not a huge amount, but a more favorable option. Mr. Rose continued his presentation highlighting the public sale impact on existing debt service and the timetable.

Ms. Sadler asked the Board for questions.

Mr. Hipple noted the importance of having cash and the current interest rates. He further noted he was in support.

Mr. McGlennon noted the presentation showed this borrowing made good sense. He further noted the ability to address much needed improvements in a financially cautious and conservative way was important.

Ms. Larson thanked Mr. Rose and echoed similar sentiments.

Mr. Icenhour noted these projects were overdue and the impact for fire assistance was needed. He further noted the presentation was very well done.

Ms. Sadler expressed similar comments particularly to the public safety issues. She noted this was a move in the right direction. She thanked Mr. Rose for the presentation and noted if he had questions for the Board to contact her.

Mr. Rose thanked Ms. Sadler. He noted the formulation of a plan with staff and working with the rating agencies.

Mr. Hipple noted the AAA bond rating and the impact of this borrowing on helping to achieve that rating.

Mr. Rose noted it should, but he also cautioned about relative population size as a factor. He further noted the strength of both the County and JCSA and their respective cashflows. Mr. Rose noted this put the information in front of the bond raters and created a positive note.

Discussion ensued on bond ratings and population size.

Ms. Sadler thanked Mr. Rose and noted the County and JCSA were well represented.

Mr. Powell thanked Mr. Rose. He noted in asking Davenport and Company to evaluate the borrowing request, a request to evaluate the existing debt had also been made. He further noted Davenport and Company had done so, noting it did not make sense to refinance the existing debt. Mr. Powell wanted the Board to be informed of that evaluation.

Mr. Rose noted if any changes occurred, the Board and JCSA would be notified regarding interest rates and circumstances. He further noted Davenport and Company were monitoring the rates and would notify Mr. Powell of any changes.

The Board thanked Mr. Rose.

Mr. Powell noted the Board's consensus and that he would present a resolution to move forward at the next meeting.

D. PUBLIC COMMENT

None.

E. CONSENT CALENDAR

A motion to Approve was made by Michael Hipple, the motion result was Passed.

AYES: 5 NAYS: 0 ABSTAIN: 0 ABSENT: 0

Ayes: Hipple, Icenhour Jr, Larson, McGlennon, Sadler

1. Minutes Adoption - January 28, 2020, Regular Meeting

F. PUBLIC HEARING(S)

None.

G. BOARD CONSIDERATION(S)

A motion to Approve was made by John McGlennon, the motion result was Passed.

AYES: 5 NAYS: 0 ABSTAIN: 0 ABSENT: 0

Ayes: Hipple, Icenhour Jr, Larson, McGlennon, Sadler

1. Setting a Public Hearing - Fiscal Year 21 Utility Rates

Mr. Powell noted staff was preparing the Fiscal Year 2021 budget. He further noted recommendation for the Board's authorization of a public hearing on April 14, 2020, on the proposed fee changes. He noted the fee changes would be effective July 1, 2020. Mr. Powell further noted these proposed fee changes were consistent with those recommended at the January 28, 2020 Work Session on the rate study. He noted the study proposed a change to the water rates structures in relation to tiers and 4,000 gallon increments. He highlighted the other changes included an increase to the grinder pump maintenance fee and a system facility fee. He noted the Board's action for this meeting was to authorize the public hearing for the rates.

H. BOARD REQUESTS AND DIRECTIVES

Mr. Hipple asked Mr. Powell about the cost of the grinder pump. He noted County financial assistance to citizens who had grinder pumps.

Mr. Powell noted he had a spreadsheet with the information that he would share with the Board members.

I. GENERAL MANAGER'S UPDATE

Mr. Powell updated the Board with the timeline on the monthly billing. He noted the transition will begin in May. He further noted the advantages of the change. Mr. Powell noted that starting in May every customer who received a bill in February will receive a bill for 90 days;

every customer who receives their quarterly bill in March will receive a bill for 60 days; and every customer who receives their quarterly bill in April will receive a bill for 30 days. He further noted May will be the transition month with those bills due in June. Mr. Powell stated that in June everyone will get a monthly bill with a due date in July.

Ms. Sadler asked if that information would be in the bills.

Mr. Powell confirmed yes. He noted public information was already in place on the JCSA website, but would also be communicated through various resources. He further noted his availability to speak to neighborhood groups. Mr. Powell noted he spoke at the recent Community Conversations and the main issue that arose centered on submeters. He further noted customers with submeters would be required to submit their readings on a monthly basis instead of quarterly as previously done. Mr. Powell noted the submissions were only necessary on the months the customers used their submeters for irrigation.

J. ADJOURNMENT

1. Adjourn until 4 p.m. on March 24, 2020, for the Regular Meeting

A motion to Adjourn was made by James Icenhour Jr, the motion result was Passed.

AYES: 5 NAYS: 0 ABSTAIN: 0 ABSENT: 0

Ayes: Hipple, Icenhour Jr, Larson, McGlennon, Sadler

At approximately 4:38 p.m., Ms. Sadler adjourned the Board of Directors.

ITEM SUMMARY

DATE: 3/24/2020

TO: The Board of Directors

FROM: M. Douglas Powell, General Manager

SUBJECT: Affirmation of Emergency Staffing Plan and Authorizations to Address a Local
Emergency Related to Coronavirus (Covid-19)

ATTACHMENTS:

	Description	Type
	Resolution	Resolution

REVIEWERS:

Department	Reviewer	Action	Date
Board Secretary	Fellows, Teresa	Approved	3/23/2020 - 2:21 PM

RESOLUTION

AFFIRMATION OF EMERGENCY STAFFING PLAN AND AUTHORIZATIONS

TO ADDRESS A LOCAL EMERGENCY RELATED TO CORONAVIRUS (COVID-19)

WHEREAS, on March 12, 2020, the Governor of the Commonwealth of Virginia declared a State of Emergency in the Commonwealth of Virginia in response to the spread of the novel Coronavirus (COVID-19) (the “virus”); and

WHEREAS, on March 13, 2020, the President of the United States declared a National Emergency, beginning March 1, 2020, in response to the spread of the virus; and

WHEREAS, the Director of Emergency Management of James City County, Scott Stevens, declared a Local Emergency on March 13, 2020, due to the imminent threat of the virus; and

WHEREAS, at its meeting on March 17, 2020, the Board of Supervisors of James City County, Virginia, confirmed the Director of Emergency Management’s Declaration of a Local Emergency and amended the declaration to acknowledge that the virus constituted a “disaster” in James City County; and

WHEREAS, upon the declaration of Local Emergency, the General Manager enacted the James City Service Authority’s Emergency Operations Plan (the “JCSA EOP”); and

WHEREAS, the JCSA EOP calls for an emergency staffing plan to be put into effect to mitigate the impact of the virus on necessary operations; and

WHEREAS, the emergency staffing plan, as adopted or amended, may be inconsistent with certain provisions of the James City County Personnel Policies and Procedures Manual (the “Manual”), which was adopted *nunc pro tunc* for the JCSA by the Board of Directors; and

WHEREAS the Board of Directors finds it necessary to provide flexibility in managing necessary JCSA operations during the period of emergency and disaster caused by the virus.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the James City Service Authority, James City County, Virginia, that a local emergency exists and the General Manager is authorized to enact such emergency staffing plans as he deems appropriate to respond to, and mitigate the effect of, the virus.

BE IT FURTHER RESOLVED that during the emergency and disaster caused by the virus, certain sections of the Manual are hereby amended or suspended as more particularly described herein:

1. The following sections in Chapter 2, Employment, of the Manual are suspended in their entirety.
 - a. Section 2.5, to allow the JCSA to hire employees as needed without delay.
 - b. Section 2.8, to allow the JCSA to promote, transfer, reinstate, and other needed job changes without delay.
 - c. Section 2.13, prior to initiating a reduction in workforce.
 - d. Section 2.14, to eliminate certain requirements prior to reducing Limited Term or Other positions.

2. The following sections in Chapter 4, Compensation Plan, of the Manual are suspended in their entirety.
 - a. Section 4.7, to allow greater flexibility in setting wages for new, reinstated, and rehired employees.
 - b. Section 4.14(G), to suspend pay discrepancy complaint process timelines.
3. Section 4.10 in Chapter 4, Compensation Plan, of the Manual is amended by adding the following language: "Notwithstanding any limitations of the Manual, the General Manager may set the appropriate compensation for employees placed on an alternative schedule or on-call as part of any emergency staffing plan adopted under the Emergency Operations Plan. Such compensation may equal or approximate the amount an employee otherwise would earn. All compensation authorized hereunder shall be consistent with state and federal employment laws."
4. The following sections in Chapter 5, Employee Benefits, of the Manual are suspended in their entirety.
 - a. Section 5.4, to allow the JCSA to publish new leave guidance and categories as Federal/State Legislation emerges.
 - b. Sections 5.6(C)(1) and (D) to allow Employee Assistance Counseling benefits to be extended to all staff and temporarily suspends the requirement to assist employees to access at least one fitness center.
 - c. Section 5.10 to allow the JCSA to temporarily suspend new requests for Employer Assisted Home Ownership program.
5. The following section in Chapter 10, Diversity and Equal Opportunity, of the Manual is suspended in its entirety.
 - a. Section 10.10, to allow the JCSA flexibility in timelines for resolving discrimination and harassment claims; however, JCSA will comply with all state and federal employment laws.
6. The following general changes are hereby made to Chapters 7, Standards of Conduct, and 8, Grievance Procedure, of the Manual to provide additional time to gather facts and hold hearings consistent with health guidance: Each and every deadline shall be multiplied by a factor of three. For example, a five workday deadline shall be automatically changed to a 15-day deadline.

BE IT FURTHER RESOLVED that upon a declaration that residents of the County are ordered to stay at home or are otherwise prevented from coming to any JCSA office by federal, state, or local mandate, all deadlines, wherever found, including but not limited to the Virginia Code, the County Code, County Ordinances, the Manual, the JCSA Regulations, or otherwise, shall be tolled during such time.

BE IT FURTHER RESOLVED that the Board of Directors appoint the following persons as Deputy General Managers, who shall serve as the chief administrative officer of the JCSA in the following order of succession should the General Manager be unavailable to act: 1) Stephanie Luton, Assistant General Manager; 2) Danny Poe, Chief Engineer (Wastewater); and 3) Michael Youshock, Chief Engineer (Water).

BE IT FURTHER RESOLVED that the General Manager is empowered and directed to restrict the public from entering or congregating around JCSA-owned buildings, facilities, and real property in the least restrictive manner as reasonably necessary to ensure the health, safety, and welfare of the public and JCSA staff.

BE IT FURTHER RESOLVED that the JCSA shall not disconnect service during the period of emergency and disaster caused by the virus, unless such disconnection is required to protect JCSA infrastructure or the health, safety, or welfare of the public.

BE IT FURTHER RESOLVED that the effect of this resolution shall automatically terminate upon action by the James City County Board of Supervisors ending the Declaration of a Local Emergency.

P. Sue Sadler
Chairman, Board of Directors

ATTEST:

Teresa J. Fellows
Deputy Secretary to the Board

	VOTES		
	<u>AYE</u>	<u>NAY</u>	<u>ABSTAIN</u>
MCGLENNON	_____	_____	_____
LARSON	_____	_____	_____
HIPPLE	_____	_____	_____
ICENHOUR	_____	_____	_____
SADLER	_____	_____	_____

Adopted by the Board of Directors of the James City Service Authority, James City County, Virginia, this 24th day of March, 2020.

COVID19-LocEmer-JCSA-res

ITEM SUMMARY

DATE: 3/24/2020

TO: The Board of Directors

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

SUBJECT: Contract Award - Server Hardware and Software Replacement - \$168,205

The James City Service Authority's (JCSA) main computer servers need to be replaced because they are approaching the end of their service lives and storage capacity.

ATTACHMENTS:

	Description	Type
☐	Memo	Cover Memo
☐	Resolution	Cover Memo

REVIEWERS:

Department	Reviewer	Action	Date
James City Service Authority	Luton, Stephanie	Approved	3/13/2020 - 3:18 PM
Publication Management	Daniel, Martha	Approved	3/13/2020 - 3:22 PM
Legal Review	Kinsman, Adam	Approved	3/13/2020 - 4:22 PM
Board Secretary	Fellows, Teresa	Approved	3/17/2020 - 1:13 PM
Board Secretary	Purse, Jason	Approved	3/17/2020 - 4:16 PM
Board Secretary	Fellows, Teresa	Approved	3/17/2020 - 4:17 PM

MEMORANDUM

DATE: March 24, 2020

TO: The Board of Directors

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

SUBJECT: Contract Award - Server Hardware and Software Replacement - \$168,205

The James City Service Authority's (JCSA) main computer servers need to be replaced because they are approaching the end of their service lives and storage capacity. These servers are the main information technology infrastructure for JCSA and support a variety of data and communications systems such as Supervisory Control and Data Acquisition (SCADA), the system that monitors and controls JCSA's 108 remote water and wastewater facilities. Other information systems on the servers include work management, meter reading, Geographic Information System (GIS), wastewater camera, backup/recovery and data file storage.

JCSA, County Information Technology, and County Purchasing staff examined different options and determined the most efficient procurement method for this purchase was to use cooperative purchasing contracts issued by the University of Virginia and the Commonwealth of Virginia as a result of competitive procurement processes. These contracts contain wording allowing other entities to purchase from the contracts.

Cooperative procurement is authorized by Chapter 1, Section 5 of the James City County Purchasing Policy and the Virginia Public Procurement Act. Staff believes the JCSA will increase efficiency, reduce administrative expenses, and benefit from an accelerated delivery process by using cooperative purchasing.

The University of Virginia contract with Dell includes the server hardware required by the JCSA at a cost of \$147,756.18. The Commonwealth of Virginia contract with SHI International Corporation includes the server software required by the JCSA at a cost of \$20,449.20. The total purchase amount is \$168,205.38.

Funds are available in the JCSA Capital Improvements Program budget.

Staff recommends adoption of the attached resolution authorizing the contract awards to Dell and SHI International Corporation in the amounts of \$147,756.18 and \$20,449.20 respectively.

MDP/md
CA-ServerReplmt-mem

Attachment

RESOLUTION

CONTRACT AWARD - SERVER HARDWARE AND SOFTWARE REPLACEMENT - \$168,205

WHEREAS, funds are available through the Capital Improvements Program budget for the purchase of replacement server hardware and software; and

WHEREAS, cooperative procurement action is authorized by Chapter 1, Section 5 of the James City County Purchasing Policy and the Virginia Public Procurement Act, and the University of Virginia and the Commonwealth of Virginia issued cooperative purchasing contracts to Dell and SHI International Corporation respectively as a result of competitive procurement processes; and

WHEREAS, the James City Service Authority and Purchasing staff determined the cooperative purchasing contracts include the hardware and software required by the Authority; and

WHEREAS, contract pricing for the required items available through the cooperative contracts totals \$168,205.38.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the James City Service Authority, James City County, Virginia, hereby awards the contracts for the replacement server hardware to Dell in the amount of \$147,756.18 and the replacement server software to SHI International Corporation in the amount of \$20,449.20.

P. Sue Sadler
Chairman, Board of Directors

ATTEST:

Teresa J. Fellows
Deputy Secretary to the Board

	VOTES		
	<u>AYE</u>	<u>NAY</u>	<u>ABSTAIN</u>
MCGLENNON	_____	_____	_____
LARSON	_____	_____	_____
HIPPLE	_____	_____	_____
ICENHOUR	_____	_____	_____
SADLER	_____	_____	_____

Adopted by the Board of Directors of the James City Service Authority, James City County, Virginia, this 24th day of March, 2020.

CA-ServerReplmt-res

ITEM SUMMARY

DATE: 3/24/2020

TO: The Board of Directors

FROM: M. Douglas Powell, General Manager

SUBJECT: Contract Award – Elevated Storage Tank ES-1 Repair - \$300,000

ATTACHMENTS:

	Description	Type
☐	Memorandum	Cover Memo
☐	Resolution	Resolution

REVIEWERS:

Department	Reviewer	Action	Date
Board Secretary	Fellows, Teresa	Approved	3/20/2020 - 1:42 PM

MEMORANDUM

DATE: March 24, 2020

TO: The Board of Directors

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

SUBJECT: Contract Award - Elevated Storage Tank ES-1 Repair - \$300,000

The 1.25-million-gallon Stonehouse elevated water storage tank (ES-1) developed leaks on the interior stainless steel piping. Repairs were initially made to the pipe that is accessible at the floor level; however, the riser pipe within the tank structure is also leaking and cannot be accessed and quantified without special rigging and scaffolding. The tank is expected to be out of service for 45 days for repairs. Timely repair is required to avoid facility downtime during summer water demand.

James City Service Authority (JCSA) staff evaluated all options in order to obtain a fair and reasonable price including consulting the original tank manufacturer. JCSA staff recommends awarding an emergency repair contract to Superior Industrial Maintenance Company, the current contractor, for tank painting and maintenance activities. Superior's worst case scenario estimate for the repairs is \$300,000 which consists of the following: outlet pipe repair, \$147,500; inlet pipe repair, \$119,700; 6-inch recirculation pipe, \$11,100; re-configure tank base pipe elbows, \$21,700. The final price may be lower once the actual extent of the work becomes known.

Funds are available in the Repair and Replacement Reserve.

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

Staff recommends approval of the attached resolution.

MDP/md
CA-ES1TankRepair-mem

Attachment

RESOLUTION

CONTRACT AWARD - ELEVATED STORAGE TANK ES-1 REPAIR - \$300,000

WHEREAS, the 1.25-million-gallon Stonehouse elevated water storage tank (ES-1) developed leaks on the interior stainless steel piping and requires immediate repairs to avoid downtime during summer water demand; and

WHEREAS, staff investigated various repair options and negotiated a fair and reasonable repair price of \$300,000 with Superior Industrial Maintenance Company, the current contractor, for tank painting and maintenance activities.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the James City Service Authority, James City County, Virginia, hereby awards the ES-1 tank emergency repair contract to Superior Industrial Maintenance Company in the amount of \$300,000.

P. Sue Sadler
Chairman, Board of Directors

ATTEST:

Teresa J. Fellows
Deputy Secretary to the Board

	VOTES		
	<u>AYE</u>	<u>NAY</u>	<u>ABSTAIN</u>
MCGLENNON	_____	_____	_____
LARSON	_____	_____	_____
HIPPLE	_____	_____	_____
ICENHOUR	_____	_____	_____
SADLER	_____	_____	_____

Adopted by the Board of Directors of the James City Service Authority, James City County, Virginia, this 24th day of March, 2020.

CA-ES1TankRepair-res

ITEM SUMMARY

DATE: 3/24/2020

TO: The Board of Directors

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

SUBJECT: Resolution Authorizing the Issuance and Sale of Revenue Bonds, Series 2020

As interest rates have fallen to historic lows, staff has been working with representatives of Davenport & Company, LLC, James City Service Authority's (JCSA) financial advisors and Hunton & Williams, LLP, bond counsel, on a possible bonded debt issue in an amount up to \$9.5 million.

ATTACHMENTS:

	Description	Type
☐	Memo	Cover Memo
☐	Resolution	Resolution

REVIEWERS:

Department	Reviewer	Action	Date
James City Service Authority	Luton, Stephanie	Approved	3/16/2020 - 12:05 PM
Publication Management	Daniel, Martha	Approved	3/16/2020 - 12:29 PM
Legal Review	Kinsman, Adam	Approved	3/17/2020 - 11:32 AM
Board Secretary	Fellows, Teresa	Approved	3/17/2020 - 1:13 PM
Board Secretary	Purse, Jason	Approved	3/17/2020 - 4:16 PM
Board Secretary	Fellows, Teresa	Approved	3/17/2020 - 4:17 PM

MEMORANDUM

DATE: March 24, 2020

TO: The Board of Directors

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

SUBJECT: Resolution Authorizing the Issuance and Sale of Revenue Bonds, Series 2020

As interest rates have fallen to historic lows, staff has been working with representatives of Davenport & Company, LLC, James City Service Authority's (JCSA) financial advisors and Hunton & Williams, LLP, bond counsel, on a possible bonded debt issue in an amount up to \$9.5 million.

Bond proceeds would fund a major portion of two large infrastructure improvement efforts, the White Oaks Area and Kingswood Water Main Replacement Projects. These projects are part of JCSA's repair and replacement program that focuses on the replacement of aging and underperforming infrastructure to increase service reliability, minimize service disruptions, and improve operational efficiency.

The White Oaks Area Water Main Replacement Project consists of replacing the existing undersized water distribution system installed in the early 1970s in the White Oaks, Indigo Park, Jamestown Farms, Paddock Green, Paddock Lane, and Canterbury Hills neighborhoods located in James City County, Virginia. Approximately 22,000 feet of water main requires replacement and upsizing to maintain reliability and service. Upsizing will also enhance public safety by increasing fire flow capacities. Valves, fire hydrants, service lines, and meter boxes will also be replaced. By upsizing and reconfiguring the water system in this area, JCSA will also improve service reliability to the nearby Mill Creek Landing and Canterbury Hills neighborhoods by abandoning approximately 3,500 feet of aging 12-inch pipe located in easements that are difficult to access. Design is underway and construction will start at the end of 2020 at an estimated cost of \$6.6 million.

The Kingswood Water Main Replacement Project consists of replacing the existing 1960-70s era neighborhood water distribution system primarily serving the Kingswood subdivision. The existing cast iron water mains are undersized by current standards and approaching the end of their service lives. The replacement of approximately 14,500 feet of water main will improve system reliability, minimize service disruptions, and provide increased fire flows. The project will also include the replacement of valves, fire hydrants, service lines, and meter boxes. Design will start in 2020 with construction anticipated to begin in 2021. The estimated total cost for design and construction is \$4.675 million.

Staff recommends approval of the attached resolution prepared by our bond counsel. If the Board approves the resolution, it will be asked to ratify the form of the public offering of securities at the April meeting.

MDP/nb
CA-SvrHSRplmt-mem

Attachment

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE

OF UP TO \$9,500,000 WATER AND SEWER SYSTEM REVENUE BONDS,

SERIES 2020, OF JAMES CITY SERVICE AUTHORITY

- WHEREAS, the James City Service Authority (the “Authority”) is a public body politic and corporate of the Commonwealth of Virginia duly created pursuant to the Virginia Water and Waste Authorities Act ((formerly the Virginia Water and Sewer Authorities Act) Chapter 51, Title 15.2, Code of Virginia of 1950, as amended) by the Board of Supervisors of James City County, Virginia (the “County”), and is authorized to acquire, construct, operate and maintain water, sewer and other facilities and to borrow money and to issue its revenue bonds to pay all or part of the cost of such facilities; and
- WHEREAS, the Authority and Wilmington Trust, National Association (as successor to U.S. Bank National Association) (the “Trustee”), have entered into a Master Indenture of Trust dated as of April 1, 2003, as supplemented and amended (collectively, the “Master Indenture”), which authorizes the Authority to issue bonds from time to time to pay the cost of water and wastewater facilities and related financing costs; and
- WHEREAS, the Authority finds it desirable to issue one or more series of bonds in the principal amount of up to \$9,500,000 (the “Series 2020 Bonds”), the proceeds of which will be used to (a) finance the upgrade, repair and replacement of a portion of the Authority’s water distribution system, (b) fund as necessary any reserves, and (c) pay costs of issuing the Series 2020 Bonds; and
- WHEREAS, the form and details of the Series 2020 Bonds will be as set forth in a Fourth Supplemental Indenture of Trust (the “Fourth Supplemental Indenture”), between the Authority and the Trustee, supplementing the terms of the Master Indenture; and
- WHEREAS, the Authority staff and Davenport & Company LLC, as financial advisor to the Authority (the “Financial Advisor”), have recommended that the Authority offer the Series 2020 Bonds for sale through one or more of the following methods: (a) a direct bank loan from a commercial banking or other financial institution (a “Direct Sale”), (b) a public offering through a competitive sale (a “Competitive Sale”), or (c) a public offering through a negotiated underwriting (a “Negotiated Sale”); and
- WHEREAS, the Authority has prepared a draft of a Preliminary Official Statement (the “Preliminary Official Statement”), with respect to the public offering of the Series 2020 Bonds; and
- WHEREAS, the Securities and Exchange Commission has adopted its Rule 15c2-12 (the “SEC Rule”) pursuant to the Securities and Exchange Act of 1934, as amended, requiring that the underwriters of certain municipal securities confirm certain continuing disclosure undertakings; and
- WHEREAS, in the event of a Competitive Sale or a Negotiated Sale, the Authority will enter into an undertaking with respect to the SEC Rule (the “Disclosure Agreement”); and

WHEREAS, there have been presented to the Authority forms of the following documents proposed in connection with the issuance and sale of the Series 2020 Bonds:

- (a) Fourth Supplemental Indenture of Trust;
- (b) the Preliminary Official Statement; and
- (c) the Disclosure Agreement.

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

1. The Authority authorizes the issuance and sale of the Series 2020 Bonds, in one or more series, pursuant to the Fourth Supplemental Indenture as Bonds under the Master Indenture; provided (a) the principal amount of the Series 2020 Bonds shall not exceed \$9,500,000; (b) the final maturity of the Series 2020 Bonds shall be on or before December 31, 2040, (c) the aggregate price at which the Series 2020 Bonds are sold to the purchaser shall not be less than 97.0% of the principal amount thereof plus accrued interest, and (d) the Series 2020 Bonds in the aggregate shall have a true interest cost not to exceed 5.0% (taking into account any original issue discount or premium).
2. The proceeds of the Series 2020 Bonds shall be used as set forth in the Fourth Supplemental Indenture.
3.
 - (a) The General Manager is authorized, on behalf of the Authority and in collaboration with the Financial Advisor, to determine whether to sell the Series 2020 Bonds through a Direct Sale, a Competitive Sale, a Negotiated Sale or any combination thereof.
 - (b) If the General Manager determines that the Series 2020 Bonds (or a portion thereof) shall be sold through a Direct Sale, the General Manager is authorized, on behalf of the Authority and in collaboration with the Financial Advisor, to solicit bids from banking institutions and other financial firms, to determine which bid (or bids) offers the best terms to the Authority, and, subject to the limitations set forth in Section 1, to arrange for the issuance and sale of the Series 2020 Bonds to the purchaser. Following a Direct Sale, the General Manager shall file with the records of the Authority a certificate setting forth the final terms of the Series 2020 Bonds. The actions of the General Manager in selling the Series 2020 Bonds by Direct Sale shall be conclusive, and no further action with respect to the sale and issuance of the Series 2020 Bonds shall be necessary on the part of the Authority.

If the General Manager determines that the Series 2020 Bonds (or a portion thereof) shall be sold through a Competitive Sale, the General Manager is authorized, on behalf of the Authority and in collaboration with the Financial Advisor, to take all proper steps to advertise the Series 2020 Bonds for sale, to receive public bids and to award the Series 2020 Bonds to the bidder providing the lowest "true" or "Canadian" interest cost, subject to the limitations set forth in Section 1. Following a Competitive Sale, the General Manager shall file a certificate with the Secretary or Assistant Secretary of the Authority setting forth the final terms of the Series 2020 Bonds. The actions of the General Manager in selling the Series 2020 Bonds by Competitive Sale shall be conclusive, and no further action with respect to the sale and issuance of the Series 2020 Bonds shall be necessary on the part of the Authority.

- (c) If the General Manager determines that the Series 2020 Bonds (or a portion thereof) shall be sold through a Negotiated Sale, the General Manager is authorized, on behalf of the Authority and in collaboration with the Financial Advisor, to choose an investment banking firm or firms to serve as underwriters for the Series 2020 Bonds and to execute and deliver to the underwriters, as purchasers of the Series 2020 Bonds, a bond purchase agreement reflecting the final terms of the Series 2020 Bonds. The bond purchase agreement shall be in a form approved by the General Manager, in collaboration with counsel to the Authority, the Financial Advisor and the Authority's bond counsel; with general provisions substantially similar to those in prior bond purchase agreements executed by the Authority. The actions of the General Manager in selling the Series 2020 Bonds by Negotiated Sale shall be conclusive, and no further action with respect to the sale and issuance of the Series 2020 Bonds shall be necessary on the part of the Authority.
 - (d) The General Manager is further authorized to determine the final terms of the Series 2020 Bonds, which authorization shall include the authorization to (i) determine or approve the principal amount, interest rates, maturity schedules and the price to be paid for the Series 2020 Bonds by the purchaser, subject to the limitations set forth in Section 1, (ii) determine the redemption provisions of the Series 2020 Bonds, if any, and (iii) determine the dated date and the principal and interest payment dates of the Series 2020 Bonds, all as the General Manager determines to be in the best interests of the Authority..
- 4. The Chairman or Vice Chairman (either of whom may act and who are referred to together as the "Authorized Officer"), are authorized and directed to execute and deliver the Fourth Supplemental Indenture and, in the event of a Competitive Sale or a Negotiated Sale, the Disclosure Agreement. The Fourth Supplemental Indenture and the Disclosure Agreement (if required) shall be in substantially the forms submitted to this meeting, which are approved, with such completions, omissions, insertions and changes (including changes in the name and series identification of the Series 2020 Bonds) not inconsistent with this resolution as may be approved by the Authorized Officer, his execution to constitute conclusive evidence of the Authority's approval of any such completions, omissions, insertions and changes.
- 5. The Authorized Officer and the Secretary or Assistant Secretary are authorized and directed to execute the Series 2020 Bonds in accordance with the Fourth Supplemental Indenture, to deliver them to the Trustee for authentication, and to cause the Series 2020 Bonds so executed and authenticated to be delivered to or for the account of the purchasers upon payment of the purchase price therefor.
- 6. The Preliminary Official Statement is hereby approved as the general form of the Preliminary Official Statement by which the Series 2020 Bonds may be offered for sale to the public in a Competitive Sale or a Negotiated Sale. The General Manager, in consultation with the Financial Advisor and, with respect to any specific disclosure issues, members of the Authority, is authorized to finalize the Preliminary Official Statement by making such updates and modifications as the General Manager may consider appropriate. After the Series 2020 Bonds have been sold in a Competitive Sale or a Negotiated Sale, the General Manager, in consultation with the Financial Advisor, shall make such completions, omissions, insertions and changes in the Preliminary Official Statement not inconsistent with this Resolution as are necessary or desirable to complete it as a final Official

Statement. The execution thereof by the General Manager shall constitute conclusive evidence of his approval of any such completions, omissions, insertions and changes. In addition, the Authority shall arrange for the delivery to the purchaser of an electronic copy and, if requested, a reasonable number of printed copies of the final Official Statement, within seven business days after the Series 2020 Bonds have been sold, for delivery to each potential investor requesting a copy of the Official Statement and to each person to whom the purchaser initially sells any of the Series 2020 Bonds.

7. The officials and employees of the Authority are authorized and directed to deliver all certificates and instruments and to take all such further action as they may consider necessary or desirable in connection with the issuance and sale of the Series 2020 Bonds, including, but not limited to, a certificate setting forth the expected use and investment of the proceeds of the Series 2020 Bonds to show that such expected use and investment will not violate the provisions of the Internal Revenue Code of 1986, as amended, and related Treasury regulations applicable to "arbitrage bonds" and Internal Revenue Service Form 8038-G.
8. The Authority intends that the adoption of this resolution confirms the "official intent" within the meaning of Treasury Regulations Section 1.150-2 promulgated under the Internal Revenue Code of 1986, as amended.
9. All other actions of the officials, employees or agents of the Authority previously taken in conformity with the purpose or intent of this resolution and in furtherance of the issuance and sale of the Series 2020 Bonds are approved and confirmed.
10. All other resolutions or parts thereof in conflict herewith are repealed.
11. This resolution shall take effect immediately upon adoption.

P. Sue Sadler
Chairman, Board of Directors

ATTEST:

Teresa J. Fellows
Deputy Secretary to the Board

	VOTES		
	<u>AYE</u>	<u>NAY</u>	<u>ABSTAIN</u>
MCGLENNON	_____	_____	_____
LARSON	_____	_____	_____
HIPPLE	_____	_____	_____
ICENHOUR	_____	_____	_____
SADLER	_____	_____	_____

Adopted by the Board of Directors of the James City Service Authority, James City County, Virginia, this 24th day of March, 2020.

WtrSwrBndSale20-res2

The undersigned Secretary of the James City Service Authority certifies that:

1. A regular meeting of the James City Service Authority was held on March 24, 2020, at which the following directors were present and absent:

PRESENT: [Michal J. Hipple
Jim Icenhour
Ruth Larson
John J. McGlennon
Sue Sadler]

ABSENT: [None]

2. A resolution entitled "Resolution Authorizing the Issuance and Sale of up to \$9,500,000 Water and Sewer System Revenue Bonds, Series 2020, of James City Service Authority," was adopted at such meeting by the [unanimous] vote of the directors of the Authority present at the time of such vote.

3. Attached hereto is a true and correct copy of the foregoing resolution as recorded in full in the minutes of the meeting on March 24, 2020.

4. This resolution has not been repealed, revoked, rescinded or amended and is in full force and effect on the date hereof.

WITNESS my signature and the seal of the James City Service Authority this 24th day of March, 2020.

(SEAL)

Secretary,
James City Service Authority

WtrSwrBndSale20-res2

ITEM SUMMARY

DATE: 3/24/2020

TO: The Board of Supervisors

FROM: Teresa J. Fellows, Deputy Secretary

SUBJECT: Adjourn until 5 p.m. on April 14, 2020 for the Joint Budget Public Hearing

REVIEWERS:

Department	Reviewer	Action	Date
Board Secretary	Fellows, Teresa	Approved	3/17/2020 - 4:21 PM