

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
June 23, 2020
4:00 PM

A. CALL TO ORDER

B. ROLL CALL

C. PRESENTATIONS

D. PUBLIC COMMENT

E. CONSENT CALENDAR

1. Minutes Adoption

F. PUBLIC HEARING(S)

G. BOARD CONSIDERATION(S)

1. Closed Session: Discussion or consideration of the investment of public funds regarding a conditional settlement agreement related to an easement dispute where competition or bargaining is involved, where, if made public initially, the financial interest of the JCSA would be adversely affected pursuant to Section 2.2-3711(A)(6) of the Code of Virginia; and consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel, pertaining to the contract with Newport News, and a conditional settlement agreement related to an easement dispute, pursuant to Section 2.2-3711(A)(8) of the Code of Virginia; and discussion of the award of a public contract involving the expenditure of public funds where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the public body regarding an easement and infrastructure relocation project related to a conditional settlement agreement pursuant to Section 2.2-3711(A)(29) of the Code of Virginia

H. BOARD REQUESTS AND DIRECTIVES

I. GENERAL MANAGER'S UPDATE

J. ADJOURNMENT

1. Continue until 5 p.m. on July 14, 2020

ITEM SUMMARY

DATE: 6/23/2020
TO: The Board of Directors
FROM: Teresa J. Fellows, Deputy Secretary
SUBJECT: Minutes Adoption

ATTACHMENTS:

	Description	Type
☐	041420	Minutes
☐	052620	Minutes
☐	060920	Minutes

REVIEWERS:

Department	Reviewer	Action	Date
Board Secretary	Fellows, Teresa	Approved	6/16/2020 - 11:56 AM

MINUTES
JAMES CITY SERVICE AUTHORITY BOARD OF DIRECTORS
REGULAR MEETING
County Government Center Board Room
101 Mounts Bay Road, Williamsburg, VA 23185
April 14, 2020
5:00 PM

A. CALL TO ORDER

B. ROLL CALL

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

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

Ms. Larson requested a motion to allow Ms. Sadler to participate in the meeting remotely, due to a medical condition that prevented her attendance.

A motion to allow Ms. Sadler 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, Larson, McGlennon

Absent: Sadler

Mr. Icenhour noted the James County Service Authority (JCSA) Board of Directors meeting would begin with the Board of Supervisors and the Board of Directors meetings opening simultaneously.

At approximately 5:11 p.m., Ms. Larson opened the Board of Directors meeting.

C. PRESENTATIONS

None.

D. PUBLIC COMMENT

None.

E. CONSENT CALENDAR

None.

F. PUBLIC HEARING(S)

Mr. Icenhour noted Ms. Sharon Day, Director of Financial and Management Services, would begin the presentation followed by Mr. Doug Powell, General Manager of the James County Service Authority.

1. Public Hearing on Fiscal Year 2021-2022 James City Service Authority Budget

Ms. Day presented the revenue and expenditure breakdown for the Fiscal Year (FY) 2021 Proposed Budget and the FY 2022 Budget Plan. She noted the unique circumstances to this year's budget process due to COVID-19. Ms. Day noted one of the Strategic Planning Goals was for the County to have a sustainable water supply. She introduced Mr. Powell to the Board for the JCSA budget presentation.

Mr. Powell addressed the Board noting the budget had a slightly different look from previous years. He noted the budget had been divided into two funds, water and sewer, as opposed to previous years with a division of five funds, for greater ease of understanding. Mr. Powell noted revisions had been made to the budget previously submitted to the Board in March due to the current situation. He further noted his comments focused on the changes made to the recommendations. Mr. Powell noted the overarching goal was to maintain operational and financial sustainability. He further noted consultation with the rate study consultant, the financial advisor, and others to get information on what other utility groups, both regionally and nationally, were experiencing and their responses to the COVID-19 situation. Mr. Powell noted the projected decline in gross domestic product, as addressed at the Board's previous meeting, and adjustments to those projections. He further noted a review of meter readings from last year to the current year for the same timeframe. Mr. Powell noted customer analysis of potential COVID-19 impact of high, medium, or low on their operations. He further noted at this point there was no significant reduction in overall water demand. Mr. Powell noted some decline had been noted in schools and retail, but an increase in residential demand. He further noted the schools and three timeshares in the County comprised four of the top 10 customers. Mr. Powell noted that was a concern, but added that the County had a heavy residential system and if the current trends remained, that could help mitigate losses elsewhere. He further noted other assumptions included a gradual recovery lasting through FY 2021 first quarter; tourism and timeshare reduction through 2020; some permanent consumption loss as well as slower growth for new accounts and delinquency increase; and irrigation decreases with customer spending reduction and monthly billing. Mr. Powell noted at the Board's previous meeting he had mentioned a possible ban on irrigation, and at this time he was recommending that course of action. He further noted these were assumptions, but caution was necessary due to the unprecedented nature of events. Mr. Powell noted consultations with field experts and research were the basis for JCSA's actions at this time. He further noted the budget impacts for FY 2020 and 2021 in his PowerPoint presentation, adding that purchasing restrictions were in place. Mr. Powell noted a reduction in the facility fees, citing a downward trend prior to the COVID-19 situation. He added that the COVID-19 situation would exasperate that downward trend more. Mr. Powell noted a reduction in operating revenue and following suit with the County's move on compensation in a contingency line item. He further noted the recruitment and retention study which had taken place, adding he did not recommend implementing those findings in the FY 2021 budget. Mr. Powell noted a reduction in contributions to several Capital Improvements Program (CIP) projects including the alternative water supply fund, the repair and replacement fund, and the deferral of several projects. Mr. Powell noted he had prioritized two CIP projects for FY 2021 included the Supervisory Control and Data Acquisition (SCADA) upgrade project and the Neighborhood Improvement projects of White Oaks and Kingswood. He further noted the instability of the municipal bond market and in its relation to the Neighborhood Improvement projects, a Request for Proposal (RFP) was issued for a bank loan. Mr. Powell noted at the Board's April 28 meeting, the RFP results would be available if the Board wanted to move forward on it. He further noted his recommended budget allowed for debt funding for those projects as if they would proceed. Mr. Powell noted increased funding in sanitation supplies, personal protective equipment (PPE), as well as mobile devices for emergency readiness. He further noted the elimination of a new full-time position, but did retain the recommendation for a part-time engineer position in the revised budget. Mr. Powell reviewed the proposed rates for FY 2021 as discussed at the January Work Session. He noted the importance of maintaining affordability in the current situation and based on the rate study, the overall rate would be

revenue neutral after several years of increases. Mr. Powell further noted the study recommended tiers based on size and use with single-family residential decreasing to offset the fixed charge increase. He continued noting the same was true for commercial and non-single-family service rates. Mr. Powell noted there were no changes to the sewer service and fixed rate, but added the rate study recommended a system change from one based on fixtures to meter size. He further noted the proposed rate changes in the PowerPoint presentation as well as the breakdown of usage per tier. Mr. Powell noted even with the rate change, JCSA's water rates still remained the cheapest in the region for its typical customer of 5,000 gallons or less and second lowest combined in the region. Mr. Powell noted that concluded his presentations and he was available for questions.

Mr. Icenhour asked the Board if it had any questions.

Ms. Sadler noted she had several questions for Mr. Powell. She asked if he had any updates from the monthly billing he proposed.

Mr. Powell noted proposed monthly billing was still moving forward, with May slated as the month to begin. He further noted that was still the plan, adding customers had received correspondence to that affect. Mr. Powell noted there were several additional public outreach avenues JCSA was pursuing for the next few weeks.

Ms. Sadler asked why the SCADA upgrade and the Neighborhood Improvement projects were prioritized as the CIP projects over other projects.

Mr. Powell noted the SCADA upgrade was a multi-year project and JCSA was in the midst of it. He further noted current momentum on that project and the purpose focused on replacement of obsolete infrastructure. Mr. Powell noted the network was no longer supported by the telecommunication company and JCSA's reliance on SCADA. He further noted the risk of obsolete equipment and software in place. Mr. Powell noted the other two projects were long overdue with a public safety component involved. He further noted that prioritization assumed a competitive rate on the bank loan was available.

Ms. Sadler thanked Mr. Powell for the explanation. She also thanked him for the quick, revised budget and the responsible approach.

Mr. Hipple echoed those comments and cited anticipation of what's ahead and its impact on the community. He noted budget adjustments on the JCSA side as well as the Board's adjustment on the County side.

Mr. Powell noted there could be some different numbers next month.

Mr. McGlennon noted Mr. Powell's acknowledgement of residential usage compensating for the change at the institutional level. He further noted he was pleased with moving forward on some of the CIPs and the cash situation to do them. Mr. McGlennon noted it could also provide opportunity to some businesses to remain in operation.

Mr. Powell noted in speaking with other utilities, there were varying philosophies. He further noted some utilities were proceeding with CIPs in part to assist area businesses, while other utilities had cut everything. He noted he chose to go middle of the road, moving forward on some projects while deferring others.

Mr. Icenhour opened the Public Hearing for the Board of Supervisors' meeting.

Ms. Larson opened the Public Hearing on the Fiscal Year 2021-2022 James City Service Authority Budget.

Mr. Icenhour noted there was one voicemail comment received.

Mr. Stevens confirmed that was so.

The voicemail comment was directed toward the County budget and was included in the Board of Supervisors April 14, 2020, meeting minutes.

As there were no other speakers, Mr. Icenhour closed the Public Hearing for the Board of Supervisors.

Ms. Larson closed the Public Hearing for the James City Service Authority Board of Directors. She inquired about continuing with the remainder of the budget presentation and discussion.

Mr. Icenhour noted the budget was the only discussion item on the agenda for the Board of Directors' meeting.

Mr. Powell noted the Board of Directors' meeting could adjourn until the April 21 Budget Work Session or the April 28 Regular Meeting for additional budget discussion if necessary. Discussion ensued on the meeting agenda and budget.

G. BOARD CONSIDERATION(S)

None.

H. BOARD REQUESTS AND DIRECTIVES

None.

I. GENERAL MANAGER'S UPDATE

Mr. Powell had no further comments.

J. ADJOURNMENT

1. Adjourn until 4 p.m. on April 21, 2020, for the Budget Work Session

A motion to Adjourn 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

Mr. McGlennon made the motion to Adjourn the Board of Directors until the April 28, 2020 Budget Work Session.

On a voice vote, the Board of Directors Approved the motion. The motion passed unanimously.

At approximately 5:48 p.m., Ms. Larson adjourned the meeting.

MINUTES
JAMES CITY SERVICE AUTHORITY BOARD OF DIRECTORS
REGULAR MEETING
County Government Center Board Room
101 Mounts Bay Road, Williamsburg, VA 23185
May 26, 2020
4:00 PM

A. CALL TO ORDER

B. ROLL CALL

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

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

Ms. Larson requested a motion to allow Ms. Sadler to participate in the meeting remotely, due to an illness that prevented her attendance.

A motion to allow Ms. Sadler to participate by phone was made by Mr. Hipple, the motion result was Passed.

AYES: 4 NAYS: 0 ABSTAIN: 0 ABSENT: 1
Ayes: Hipple, Icenhour Jr, Larson, McGlennon
Absent: Sadler

Ms. Larson asked Ms. Sadler if she designated the Vice Chair as the presiding officer for today's meeting.

Ms. Sadler replied yes.

C. PRESENTATIONS

None.

D. PUBLIC COMMENT

None.

E. CONSENT CALENDAR

1. Minutes Adoption - May 5, 2020, Regular Meeting

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

F. PUBLIC HEARING(S)

None.

G. BOARD CONSIDERATION(S)

1. Contract Award - Five Forks Water Treatment Plant Roof Replacement - \$337,700

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

Mr. Powell gave an overview of the memorandum and resolution included in the Agenda Packet.

2. Contract Award - Annual Water and Wastewater Construction and Repair Services

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

Mr. Powell gave an overview of the memorandum and resolution included in the Agenda Packet.

H. BOARD REQUESTS AND DIRECTIVES

None.

I. GENERAL MANAGER'S UPDATE

Mr. Powell stated that recently the Board approved a contract regarding repairs to the 1.25-million-gallon Stonehouse elevated water storage tank and noted those repairs were successfully completed. He referenced the budget and mentioned the new fees and charges. He stated everything spoken about up to this point had an effective date of July 1, 2020; however, he requested the effective date be amended to July 6, 2020. His reasoning for amending the effective date to July 6, 2020, was for ease of administration and simplifying the customers' bills. He explained if the transaction was made to reflect the effective date of July 6, 2020, fees and charges would not overlap in one billing cycle. He referenced the upcoming adoption of the budget and stated if the Board concurred, the resolution would be amended to reflect the new fees and charges taking effect July 6, 2020.

Mr. McGlennon stated he received his first monthly bill and remarked it was approximately one-third of previous quarterly bills.

Ms. Larson referenced her monthly statement and inquired if there had been much feedback.

Mr. Powell replied no, the process appeared to have gone smoothly. He mentioned recently receiving negative feedback relating to submeters and the requirement for customers to frequently read their submeters.

Mr. Icenhour referenced a neighbor with a possible leak who would be contacting the James City Service Authority.

Mr. McGlennon noted a constituent who wrote to him expressing concern regarding the move, but was satisfied when rationale previously provided to the Board was explained.

J. ADJOURNMENT

1. Adjourn until 5 p.m. on June 9, 2020, for the Budget Adoption

A motion to Adjourn 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

At approximately 4:06 p.m., Ms. Larson adjourned the Board or Directors.

MINUTES
JAMES CITY SERVICE AUTHORITY BOARD OF DIRECTORS
REGULAR MEETING
County Government Center Board Room
101 Mounts Bay Road, Williamsburg, VA 23185
June 9, 2020
5:00 PM

A. CALL TO ORDER

B. ROLL CALL

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

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

Ms. Larson requested a motion to allow Ms. Sadler to participate in the meeting remotely, due to an illness that prevented her attendance.

A motion to allow Ms. Sadler to participate by phone was made by Michael Hipple, the motion result was Passed.

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

Ayes: Hipple, Icenhour Jr, Larson, McGlennon

Absent: Sadler

Ms. Larson asked Ms. Sadler if she designated the Vice Chair as the presiding officer for today's meeting.

Ms. Sadler replied yes.

C. PRESENTATIONS

Mr. Powell explained since both the Board of Supervisors and the Board of Directors were both in session, Mr. Stevens would give a brief presentation on the County Budget and he would follow afterwards with a summary for the James City Service Authority (JCSA) budget.

Mr. Stevens expressed his pleasure to present the Fiscal Year (FY) 2021 budget totaling \$238.2 million for James City County funds and the James City Service Authority. He stated the General Fund is the County's primary operating fund and the FY 2021 General Fund budget is \$196.2 million, which is \$15.6 million or 7.4% below FY 2020 and noted there is no tax rate change recommended in the FY 2021 budget. He referenced a resolution included in the Board's package that appropriates the FY 2021 budget and reflects changes to the proposed budget made by the Board of Supervisors. He emphasized the majority of the changes related to the economic impacts of COVID-19 are expected to result in revenue shortfalls that require corresponding reductions in expenditures and noted an errata sheet which detailed those changes. In conclusion, Mr. Stevens recommended the Board of Supervisors adopt the resolution to appropriate FY 2021 funding for James City County.

Mr. Powell referenced two resolutions that were before the Board of Directors. He explained the first resolution adopted the changes to the regulations governing utility services and the second was the Resolution of Appropriation for the FY 2021 budget in the amount of \$29,522,661. He emphasized no changes had been made to the proposed budget since the public hearing. He reviewed some of the key points of the FY 2021 budget to include: an adjustment to the number and size of tiers; an increase to the fixed charge for water with a corresponding decrease in the service charge for water; no changes for the fixed charge or service charge in waste water; facilities fees to be based on meter size; and an increase for the grinder pump maintenance charge from \$325 to \$350 per year. He referenced the May 26, 2020 Board of Directors meeting, where discussion was held regarding the proposed effective date for changes to the regulations being July 6, 2020, and the Appropriation of Resolution effective date being July 1, 2020. In conclusion, he stated staff recommended approval of both resolutions.

D. PUBLIC COMMENT

None.

E. CONSENT CALENDAR

None.

F. PUBLIC HEARING(S)

None.

G. BOARD CONSIDERATION(S)

1. Changes to the Regulations Governing Utility Service and Resolution of Appropriation for Fiscal Year 2021 Budget

A motion to the Change to the Regulations Governing Utility Service was made by Michael Hipple, the motion was Passed.

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

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

A motion to Adopt the Resolution of Appropriation for Fiscal Year 2021 Budget was made by Michael Hipple, the motion was Passed.

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

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

See Presentations portion of the meeting for discussion regarding this item.

H. BOARD REQUESTS AND DIRECTIVES

None.

I. GENERAL MANAGER'S UPDATE

Mr. Powell expressed his gratitude to Ms. Stephanie Luton, Assistant General Manager of JCSA, for her exceptional work throughout the year.

J. ADJOURNMENT

1. Adjourn until 4 p.m. on June 23, 2020, for the Regular Meeting

A motion to Adjourn 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

At approximately 5:04 p.m. the Board of Directors adjourned.

ITEM SUMMARY

DATE: 6/23/2020
TO: The Board of Directors
FROM: Maxwell Hlavin, Deputy County Attorney

SUBJECT: Closed Session: Discussion or consideration of the investment of public funds regarding a conditional settlement agreement related to an easement dispute where competition or bargaining is involved, where, if made public initially, the financial interest of the JCSEA would be adversely affected pursuant to Section 2.2-3711(A)(6) of the Code of Virginia; and consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel, pertaining to the contract with Newport News, and a conditional settlement agreement related to an easement dispute, pursuant to Section 2.2-3711(A)(8) of the Code of Virginia; and discussion of the award of a public contract involving the expenditure of public funds where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the public body regarding an easement and infrastructure relocation project related to a conditional settlement agreement pursuant to Section 2.2-3711(A)(29) of the Code of Virginia.

REVIEWERS:

Department	Reviewer	Action	Date
Board Secretary	Fellows, Teresa	Approved	6/16/2020 - 1:46 PM

ITEM SUMMARY

DATE: 6/23/2020
TO: The Board of Directors
FROM: Teresa J. Fellows, Deputy Secretary
SUBJECT: Continue until 5 p.m. on July 14, 2020

REVIEWERS:

Department	Reviewer	Action	Date
Board Secretary	Fellows, Teresa	Approved	6/16/2020 - 11:59 AM