

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

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