

AT A WORK SESSION OF THE BOARD OF DIRECTORS OF THE JAMES CITY SERVICE AUTHORITY, JAMES CITY COUNTY, VIRGINIA, HELD ON THE 25TH DAY OF MARCH, 2003, AT 4:00 P.M. IN THE COUNTY GOVERNMENT CENTER BOARD ROOM, 101 MOUNTS BAY ROAD, JAMES CITY COUNTY, VIRGINIA.

A. ROLL CALL

Michael J. Brown, Chairman
John J. McGlennon, Vice Chairman
Jay T. Harrison, Sr.
James G. Kennedy
Bruce C. Goodson

Sanford B. Wanner, Secretary
Frank M. Morton, III, County Attorney
Larry M. Foster, General Manager

B. BOARD CONSIDERATION

Mr. Larry Foster, General Manager of the James City Service Authority (JCSA), introduced Mr. Courtney Rogers, Davenport and Company, and Mr. Steve Johnson, Troutman and Saunders, the JCSA bond counsel.

Mr. Rogers stated that the JCSA received very favorable bond ratings from Moodys and Standard & Poors for the financing of the Groundwater Treatment Facility (GTF). Mr. Rogers also provided a summary of the steps to authorize the issuance of bonds to finance the facility.

Mr. Johnson provided the Board with an overview of the legal aspect of the issuance of the planned revenue bonds and any future bond issue associated with Master Indenture of Trust.

The Board, staff, Mr. Rogers, and Mr. Johnson discussed the anticipated closing date of the issuance of bonds and the construction time frame for the GTF.

Mr. Goodson inquired about the impact of the GTF with Newport News Waterworks (NNWW) and fiscal responsibility with NNWW during the term of the bonds. Mr. Rogers responded that future facilities were considered and would be addressed at the appropriate time.

Mr. Rogers stated that the documents permit additional debt although the debt outlined here is for a term of 15 years with the option of a ten-year call.

Mr. McGlennon inquired about the anticipated impacts of the bonds on water rates.


Mr. Rogers stated that this issuance of bonds should not impact the Authority's rate structure.

Mr. Goodson stated that the GTF is being built with an initial capacity of 2.5 mgd with an additional 2.5 mgd capacity being added in 2010. He inquired about the additional costs to build the facility to full capacity.

Mr. Foster stated that the infrastructure of the facility is being built to build-out capacity with the exception of the membranes of the vessels, which is nominal in cost and would not incur additional debt to install the membranes.

C. RECESS

At 4:25 p.m. Mr. Brown recessed the Board of Directors until 7 p.m.



Sanford B. Wanner
Secretary to the Board

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