

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 JUNE 2012, 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  
James O. Icenhour, Jr., Vice Chairman  
Mary K. Jones  
W. Wilford Kale, Jr.  
John J. McGlennon

Robert C. Middaugh, Secretary  
Leo P. Rogers, County Attorney  
Larry M. Foster, General Manager

**C. CONSENT CALENDAR**

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

The motion passed by a unanimous voice vote.

1. Minutes
  - a. May 22, 2012, Regular Meeting
2. Grant Award – Wellhead Protection – Virginia Department of Environmental Quality and Virginia Department of Health – \$15,000

**RESOLUTION**

**GRANT AWARD - WELLHEAD PROTECTION - VIRGINIA DEPARTMENT OF ENVIRONMENTAL QUALITY AND VIRGINIA DEPARTMENT OF HEALTH - \$15,000**

WHEREAS, the James City Service Authority (JCSA) has been awarded a Wellhead Protection Grant by the Virginia Department of Environmental Quality and the Virginia Department of Health in the amount of \$15,000; and

WHEREAS, the funds are to be used to properly abandon old, unused wells through the JCSA's Cap It Well Abandonment Program; and

WHEREAS, the grant requires no match.

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WHEREAS, the funds are to be used to properly abandon old, unused wells through the JCSA's Cap It Well Abandonment Program; and

WHEREAS, the grant requires no match.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the James City Service Authority, James City County, Virginia, hereby authorizes the following budget appropriation to the Water Fund:

Revenue:

Wellhead Protection Grant – FY 2013 \$15,000

Expense:

Cap It Well Abandonment Program – FY 2013 \$15,000

3. Appropriation – Hurricane Irene – \$378,639

**RESOLUTION**

**APPROPRIATION – HURRICANE IRENE – \$378,639**

WHEREAS, James City Service Authority (JCSA) has received reimbursement from its insurance carrier and expects to receive reimbursement from the Federal Emergency Management Agency (FEMA) totaling \$378,639 for Hurricane Irene related damage costs.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the James City Service Authority, James City County, Virginia, that the FY 12 Operating Budget be amended and said funds appropriated as shown below:

Revenues:

Federal Government	\$191,841
State Government	38,368
Fund Balance	25,579
Insurance Proceeds	<u>122,851</u>
Total:	<u>\$378,639</u>

Expenditures:

Administrative Fund-Operating and Maintenance	\$ 59,774
Water Fund-Operating and Maintenance	15,297
Sewer Fund-Operating and Maintenance	<u>303,568</u>
Total:	<u>\$378,639</u>

**D. PUBLIC HEARING - None**

**E. BOARD CONSIDERATION - None**

## **F. BOARD REQUESTS AND DIRECTIVES**

Mr. Icenhour questioned Mr. Foster as to James City Service Authority's (JCSAs) funding sources. Mr. Icenhour stated that the JCSA has two sources of funding. He stated that the Authority receives no money from the County. He stated that the Authority receives no tax money. He stated that money comes from water customers, sewer customers, and connection fees.

Mr. Foster stated that was correct.

Mr. Icenhour stated that the only money the Authority could ever get, outside of what it receives from its customers, would be from a grant. Mr. Icenhour stated that grants are very difficult to get.

Mr. Foster stated that with the median household income for James City County, grants were difficult to obtain. Mr. Foster stated that another revenue source was interest on a \$30 million fund balance.

Mr. Icenhour stated that the Authority is operating under a consent agreement that the Authority is going to have to pay for. He stated that the Board can have discussion on how to pay for it either out of current income on a pay as you go basis or whether to pay for it with debt service by issuing bonds. He stated that ultimately, whatever the Board decides, it will be paid for by the consumer.

Mr. Foster stated that was correct.

Mr. Icenhour stressed that the Consent Order is not optional. He stated that it is a legal obligation that the County has to fulfill. He stated that if we fail to do so, not only will the JCSA be held liable, but each Director can be personally held accountable.

Mr. Foster stated that was correct. Mr. Foster stated that the General Manager can also be personally held accountable.

Mr. Icenhour stated that he feels it is important for the public to understand the situation that the County is in. He stated that he does not like raising rates; however, the way the Consent Order is constructed, the County does not have a choice in this matter to meet the legal obligations.

Mr. Kale asked if the County borrowed money for the project would the payback still have to come from user fees.

Mr. Foster stated that it would increase the overall operating costs to incur the debt and the revenues to cover the additional expenditures would have to come from the customers.

## **G. ADJOURNMENT**

Mr. Kale made a motion to adjourn the meeting.

The motion passed by a unanimous voice vote.

Mr. Kennedy adjourned the Board until July 24, 2012, at 7 p.m.



Robert C. Middaugh  
Secretary to the Board

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