

AT A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE JAMES CITY SERVICE AUTHORITY, JAMES CITY COUNTY, VIRGINIA, HELD ON THE 25TH DAY OF FEBRUARY 2014, 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
Mary K. Jones
John J. McGlennon
Michael J. Hipple
Kevin D. Onizuk

M. Douglas Powell, Secretary to the Board
Leo P. Rogers, County Attorney
Stephanie Luton, Assistant General Manager

C. ORGANIZATIONAL MEETING

1. Nominations for Chairman and Vice Chairman, with Elections to Follow

Ms. Jones made a motion to appoint Mr. Kennedy to serve as Chairman for the upcoming year.

The motion passed by unanimous voice vote.

Mr. Hipple made a motion to appoint Mr. Onizuk to serve as Vice-Chair for the upcoming year.

The motion passed by unanimous voice vote.

2. Establishment of Meeting Dates and Times

Mr. McGlennon made a motion to adopt the meeting dates and times in accordance with the resolution included in the Agenda Packet.

The motion passed by unanimous voice vote.

3. Adoption of Rules of Order

Mr. McGlennon made a motion to adopt the Rules of Order in accordance with the resolution included in the Agenda Packet.

The motion passed by unanimous voice vote.

ADOPTED

MAR 25 2014

**Board of Supervisors
James City County, VA**

D. CONSENT CALENDAR

1. Minutes –
 - a. December 10, 2013, Regular Meeting
2. Contract Award and Budget Amendment - Williamsburg Landing Waterline Replacement - Phase II

Mr. Onizuk made a motion to adopt the Consent Calendar.

The motion passed by unanimous voice vote.

RESOLUTION

CONTRACT AWARD AND BUDGET AMENDMENT - WILLIAMSBURG LANDING

WATERLINE REPLACEMENT - PHASE II

WHEREAS, a competitive Invitation for Bids for Phase II of the Williamsburg Landing Waterline Replacement was issued and Henry S. Brancome, LLC submitted the lowest responsive and responsible bid; and

WHEREAS, the Fiscal Year 2014 budget did not include funding to cover this project.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the James City Service Authority, James City County, Virginia, hereby awards the contract for Williamsburg Landing Waterline Replacement, Phase II, to Henry S. Branscome, LLC in the amount of \$273,273.

BE IT FURTHER RESOLVED that the Board of Directors hereby amends the Fiscal Year 2014 budget as follows:

CAPITAL IMPROVEMENTS PROGRAM

Revenue:

Reserve Funds \$273,273

Expenditure:

Williamsburg Landing
Waterline Replacement, Phase II \$273,273

E. PUBLIC HEARING

1. Easement Abandonment - 1451 Quarterpath Road - Parcel No. 589-02-00-001

Ms. Stephanie Luton, Assistant General Manager of the JCSA, addressed the Board giving a summary of the memorandum included in the Agenda Packet. Ms. Luton noted that the JCSA would still maintain access to the sewer line for maintenance and repairs if needed.

As there were no questions for staff, Mr. Kennedy opened the Public Hearing.

As no one wished to speak to the case, Mr. Kennedy closed the Public Hearing.

Mr. McGlennon made a motion to approve the resolution included in the Agenda Packet.

On a roll call vote, the vote was: AYE: Mr. Kennedy, Mr. Hipple, Mr. McGlennon, Mr. Onizuk, Ms. Jones, (5). NAY: (0)

RESOLUTION

EASEMENT ABANDONMENT - 1451 QUARTERPATH ROAD -

PARCEL NO. 589-02-00-001

WHEREAS, Mr. Paul Gerhardt, Esquire has requested on behalf of Riverside Hospital that the James City Service Authority (JCSA) abandon 50 linear feet of a 20-foot-wide sewer easement located on Parcel No. 589-02-00-001 within the City of Williamsburg as defined on a plat dated November 20, 2013, prepared by Shadrack and Associates; and

WHEREAS, the section of easement will be superseded by a right-of-way establishing a new street named Battery Boulevard being constructed to provide access to the area; and

WHEREAS, JCSA staff is comfortable that the right-of-way will afford the necessary access to maintain the sewer line located within the easement.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the James City Service Authority, James City County, Virginia, hereby authorizes the Assistant Manager to sign the necessary documents to abandon the easement as described.

F. BOARD CONSIDERATIONS

1. Hybrid Sewer Plan Memorandum of Agreement (MOA)

Ms. Luton introduced Mr. Danny Poe, Chief Wastewater Engineer from the JCSA, and Mr. Ted Henifin, General Manager of the Hampton Roads Sanitation District (HRSD).

Ms. Luton addressed the Board giving a summary of the memorandum included in the Agenda Packet. She noted that the JCSA would continue to own all of its own sewer system and provide its own customer service. Ms. Luton stated that cost, liability, and regulatory oversight would be reduced by the Hybrid Sewer Plan. Ms. Luton also stated that a portion of current JCSA customers payments already go to the HRSD.

Mr. Poe addressed the Board on the cost savings to the JCSA by adopting the Hybrid Sewer Plan.

Mr. Kennedy asked what the estimated rate cost increase per customer was under the Hybrid Sewer Plan.

Ms. Luton stated that the estimate was \$9.17 per customer per month increase above current rates.

Mr. Hipple asked Mr. Henifin how HRSD could maintain a sewer system cheaper than JCSA.

Mr. Henifin stated that through agreements with regulators the HRSD would only have to conduct operations in the most needed areas whereas the JCSA would have to conduct operations in all leaky basins. He stated that the goal was to reduce stormwater in the system.

Mr. Hipple asked what was being given up by James City County as part of the Hybrid Sewer Plan.

Mr. Henifin stated that James City County wasn't giving up anything but gaining a loss of liability, cost, and regulatory oversight.

Mr. Onizuk asked if the Hybrid Sewer Plan is in essence is a maintenance plan for the JCSA.

Mr. Henifin responded by stating that it is not a maintenance plan but rather an integration of different systems that allows the JCSA not to have to worry about stormwater or ground water entering the JCSA system.

Mr. Onizuk asked why the JCSA could not leave the Hybrid Sewer Plan if it suited the purpose of the JCSA Board of Directors.

Mr. Henifin stated that the HRSD will be developing a plan for the next 20-30 years that would be given to the Department of Justice and the Environmental Protection Agency (EPA) that states that the HRSD assumes all liability.

Mr. Onizuk then asked if there was an issue that was viewed by the JCSA as an issue but was not getting properly addressed by the HRSD because of other commitments in other areas of the region what could be done at that point.

Mr. Henifin stated that the plans to the regulatory agencies would be developed with the localities to make sure that there would not be those issues.

Mr. Onizuk then asked what was included in the \$32 dollar per customer rate increase figure that was provided to the Board if the Board decided not to participate in the Hybrid Sewer Plan.

Ms. Luton stated that the maintenance and upkeep of the systems as well as rates and operations of those systems were all included in that estimated rate increase.

Mr. McGlennon asked if his constituents who are served by Newport News Water Works were already covered by the Hybrid Sewer Plan.

Mr. Henifin confirmed that Newport News Water Works was already part of the Hybrid Sewer Plan.

Mr. Hipple asked if the Board of Directors did not vote or adopt the Hybrid Sewer Plan that evening would the Hybrid Sewer Plan then be discarded for all localities that wanted to participate.

Mr. Henifin stated that it could cause the HRSD to adjust rates and attempt to find a compromise ahead of regulatory issues.

Mr. Kennedy asked if the Hybrid Sewer Plan protects James City County from having the regulatory authorities change their minds about the speed of stormwater reduction.

Mr. Henifin confirmed that the Hybrid Sewer Plan does in fact protect the County from regulators.

Mr. Kennedy asked Ms. Luton if the Hybrid Sewer Plan alleviates the County's responsibility to update outdated systems.

Ms. Luton stated that no, it does not remove that requirement from the JCSA.

Mr. Hipple asked how much of the current system is still the responsibility of the JCSA to maintain.

Mr. Poe stated repairs in the system that are not covered under the Hybrid Sewer Plan are the responsibility of the JCSA.

Mr. Henifin stated that primarily it is a balance between capacity of the current HRSD systems and the volume that can be reduced flowing into the system through basins that are leaking in groundwater and stormwater.

Mr. McGlennon made a motion to approve the Hybrid Sewer Plan MOA. He stated that it is apparent that the Hybrid Plan is a solution for all involved. The regulatory agencies are getting a region-wide method of addressing a problem that they have identified and have mandated it be addressed. He stated that overall, the system-wide performance will be easier to achieve than if each of the 14 localities tried to achieve the acceptable levels on their own. He stated that the rate will payers will also be saving close to \$1 billion by participating in the Hybrid Plan instead of trying to comply with the mandate on our own.

Mr. Onizuk stated that he has concerns on the regional aspect of the plan, and he has heard concerns over losing control and autonomy. He stated that it does ease his mind to know that the County will maintain control over all of our assets. He stated that it is not a favorable choice but considering the mandate that is being pressed upon the County, and the cost savings to the citizens, then he is inclined to support the MOA.

Ms. Jones stated that she has a difficult time with this MOA. She stated that she does not like the pressure that if one jurisdiction does not participate, then the whole plan falls apart. She stated that she has an issue with the idea of saving billions of dollars, yet the rate is going up. She stated that the most concerning part is that the jurisdictions that do not participate in the Hybrid Plan will face additional regulatory oversight. She stated that she has concerns with signing on to an agreement that would be very difficult to get out of should that ever need to happen. She stated that she has concerns over our taxpayers paying to fix problems in other localities. She stated that she is not comfortable with the loss of accountability for the County citizens, and she will not be supporting the MOA.

Mr. Hipple stated that it seems like the EPA is really pushing this hard, and all of the surrounding localities are in the same predicament. He stated that he does not like to see government become so

overreaching that localities begin to lose some of their freedoms. He stated that he can see the cost savings for citizens, but he has concerns over the regional aspect of the MOA. He stated that this is something that was mandated upon the County, and it looks like the MOA is the best solution for a bad situation. He stated that it will save the taxpayers money, and the JCSA will continue to provide service to the citizens. He stated that he is still conflicted and not sure how he will vote.

Mr. Kennedy stated that he is not a fan of regional government, but he does support regional cooperation. He views this Hybrid Plan as regional cooperative effort to deal with a mandate that was forced upon the region. He stated that the County has been in a working relationship with HRSD for decades. He stated that it seems that the County has a larger share, by mileage, of sewer pipe than other localities and a lot of that has to do with the planning done in the County and the Primary Service Area. He stated that the system is becoming antiquated, and the County knows this, and it is more than just stormwater. He stated that he will be supportive of the Hybrid Plan MOA this evening because it is the best plan that is out there at this time and the best possible solution.

On a roll call vote, the vote was: AYE: Mr. Kennedy, Mr. Hipple, Mr. McGlennon, Mr. Onizuk, (4). NAY: (1).

RESOLUTION

HYBRID SEWER PLAN MEMORANDUM OF AGREEMENT (MOA)

WHEREAS, in 2007 the Board authorized the James City Service Authority (JCSA) to enter into a Consent Agreement with the Virginia Department of Environmental Quality (DEQ) to address sewer system overflows; and

WHEREAS, as part of the ongoing planning for the Consent Agreement, a study was completed in August 2013 to determine the cost effectiveness of consolidating ownership of all local sewer utilities under one regional entity, the Hampton Roads Sanitation District (HRSD). This consolidation study was not widely supported among the localities due to concerns about issues such as asset ownership, governance, customer service, and debt assumption; and

WHEREAS, the hybrid sewer plan emerged in the fall of 2013 as a middle path that could generate a significant portion of the savings projected by the consolidation study, but localities would still own and operate the local sewer utility.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the James City Service Authority, James City County, Virginia, hereby authorizes the County Administrator to execute the attached MOA with HRSD detailing the hybrid sewer plan.

G. BOARD REQUESTS AND DIRECTIVES

At 9:51 p.m., Mr. Hipple made a motion to go into closed session pursuant to Section 2.2-3711(A)(1) of the Code of Virginia, to consider a personnel matter to discuss the appointment of the General Manager of the JCSA.

On a roll call vote, the vote was: AYE: Mr. Kennedy, Mr. Hipple, Mr. McGlennon, Mr. Onizuk, Ms. Jones, (5). NAY: (0)

At 10: 32, Mr. McGlennon made a motion to certify the closed session.

On a roll call vote, the vote was: AYE: Mr. Kennedy, Mr. Hipple, Mr. McGlennon, Mr. Onizuk, Ms. Jones, (5). NAY: (0)

RESOLUTION

CERTIFICATION OF CLOSED MEETING

WHEREAS, the Board of Directors of the James City County Service Authority (Board), has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3711 of the Code of Virginia requires a certification by the Board that such closed meeting was conducted in conformity with Virginia law.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the James City County Service Authority hereby certifies that, to the best of each member's knowledge: i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies; and ii) only such public business matters were heard, discussed, or considered by the Board as were identified in the motion, Section 2.2-3711(A)(1) of the Code of Virginia, to consider a personnel matter to discuss the appointment of the General Manager.

Mr. Kennedy made a motion to nominate Mr. M. Douglas Powell as General Manager of the James City Service Authority.

On a roll call vote, the vote was: AYE: Mr. Kennedy, Mr. Hipple, Mr. McGlennon, Mr. Onizuk, Ms. Jones, (5). NAY: (0)

H. ADJOURNMENT – to 7 p.m. on March 25, 2014

Mr. Kennedy made a motion to adjourn.

The motion passed by a unanimous voice vote.

At 10:34 p.m., Mr. Kennedy adjourned the Board of Directors.



M. Douglas Powell
Secretary to the Board