

MINUTES
JAMES CITY SERVICE AUTHORITY BOARD OF DIRECTORS
REGULAR MEETING
County Government Center Board Room
101 Mounts Bay Road, Williamsburg, VA 23185
January 28, 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

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

ADOPTED

FEB 25 2020

Board of Directors
James City County, VA

C. PRESENTATIONS

1. Mr. Powell recognized Mr. Michael Vergakis, Chief Water Engineer, and his wife in the audience. Mr. Powell reflected back to approximately five years ago when he started at the James City Service Authority (JCSA) and at that time the Department of Environmental Quality wanted to reduce the groundwater withdrawal permit. He commented this situation led to the two of them spending a lot of time working together, which in turn brought awareness to Mr. Vergakis' good and trustworthy characteristics. Mr. Powell thanked Mr. Vergakis for everything he had done for JCSA throughout his combined 24 years of service as well as all that he had taught him.

Ms. Sadler read the Resolution of Appreciation included in the Agenda Packet.

The Board and audience members gave Mr. Vergakis a standing ovation.

Mr. Vergakis expressed his gratitude to the Board for its support and leadership. He further expressed his appreciation to Mr. Powell and Ms. Stephanie Luton, Assistant General Manager, as well as Mr. Danny Poe, Chief Civil Engineer, for their camaraderie, support, advice, and leadership. He expressed kudos to the JCSA staff for its dedication to citizens while working in all types of weather throughout the year and thanked his wife for her support.

The Board and audience members gave Mr. Vergakis another standing ovation.

Mr. Hipple expressed his appreciation to Mr. Vergakis for everything he had done for the County.

D. PUBLIC COMMENT

1. Ms. Beverly Oglesby, 4441 Powhatan Crossing, addressed the Board in regard to a water main break. She referenced her past year's water bill records where she averaged water usage of approximately 6,000 gallons per quarter. She further stated her most recent

water bill mistakenly indicated she had used over 49,000 gallons in a quarter. She discussed the current billing system where bills are generated every three months. She explained this system did not allow customers to recognize when there was a high amount of water usage due to a leak until three months later.

Ms. Sadler replied that typically the Board did not respond after a public comment; however, there were no other registered speakers in attendance and Mr. Powell was willing to respond to Ms. Oglesby's concerns.

Mr. Powell stated Ms. Oglesby could apply for an adjustment to her bill since she was unaware of the leak situation. He noted the JCSA was currently on the verge of converting its billing cycle to monthly, which is scheduled to begin in May 2020.

Ms. Oglesby briefly discussed applying for the credit as well as monetary options for payment.

E. CONSENT CALENDAR

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

1. Minutes Adoption

The motion for approval of the minutes included the following meetings:

December 10, 2019, Regular Meeting

January 1, 2020, Organizational Meeting

2. Resolution of Appreciation - Mr. Michael Vergakis, Chief Water Engineer

F. PUBLIC HEARING(S)

None

G. BOARD CONSIDERATION(S)

1. JCSA Rate Study Update

Note: This item did not follow the Agenda order, but succeeded the General Manager's Update portion of the meeting.

At approximately 4:23 p.m. the Board of Directors came out of recess.

Mr. Powell stated the JCSA currently has a financial policy that requires a comprehensive rate analysis update every five years with the last study being completed in 2015. He commented that he considered the proposals to be relatively minor to reflect the County's local usage patterns and to adhere to some industry best practices. Mr. Powell introduced Mr. Andrew Burnham, Vice President and Director of Financial and Management Consulting with Stantec Financial Services (previously Burton & Associates) and Mr. Kyle Stevens, Managing Consultant.

Mr. Burnham gave an overview of a 15-slide presentation discussing the key findings and recommendations regarding the revenue sufficiency, rate structure, and facility fees associated with the water and sewer rate study.

Mr. Hipple referenced the slide presentation and asked about the gradual use of reserves as well as a spike in 2026.

Mr. Burnham replied the spike was anticipated capital for an alternative water supply.

Mr. Powell stated the ground water withdrawal permit expires in 2027. He noted that in order to be prepared there were assumptions that monies would need to be spent prior to 2027. He further noted figures presented were projections and timelines could shift. He commented the permit did not require there to actually be something on line by 2027, but that there should be a plan and for the purpose of the study some assumptions had to be made.

Mr. Burnham further discussed the meaning of the spike noted in the slide.

Mr. Hipple referenced the 2015 Financial Comprehensive Rate Analysis which recommended resources being in place in order to respond to potential issues. He noted the importance of having a cushion in the bank for those 'just in case' issues that could potentially occur.

Mr. Burnham noted the reason for the recommendation was the uncertainty and financial risk of a water system versus a sewer system.

Discussion ensued regarding future bonding and borrowing for water needs, as well as water usage tier structures.

Mr. Icenhour inquired about average meter sizes in the community.

Mr. Powell replied the number of meters over 5/8 inches was very small.

Discussion ensued regarding local sewer and water facility fees.

Mr. Hipple referenced a study on sprinkler systems and noted there should be a larger fee for drinking water used on lawns.

Mr. Burnham stated that was the rationale behind the tier system and further discussed the tier system.

It was a unanimous opinion that the upcoming monthly billing would be received positively.

Ms. Sadler stated homeowner associations that require lush lawns should be made aware of changes and rates.

Mr. Powell agreed.

Mr. Hipple mentioned new developments coming into the County and water-saving grasses.

General discussion ensued.

Mr. Powell concluded that the JCSA's proposed two-year budget would be built incorporating the recommendations of the report.

H. BOARD REQUESTS AND DIRECTIVES

Ms. Larson commented valid points were mentioned during the Public Comment and discussed situations where water main breaks were out of the customer's control. She questioned the JCSA policy where adjustments could only be applied every three years. She

inquired if exceptions were ever considered and remarked Mr. Powell could get back to her with that information. She recognized valid points were made in regards to credit card payments and asked if credit card readers were a possibility at payment locations.

Mr. Powell replied it had recently been discussed and noted the fee associated with accepting a credit card payment. He stated discussion needed to occur regarding if that fee would be absorbed by the JCSA or passed along to its customer and noted the method of payment would be reviewed again.

Ms. Larson asked if Mr. Powell could let her know about the every three-year policy.

Mr. Hipple stated that the current County procedure is to let the customer know if payment is to be made with a credit card, there will be an additional amount added to cover the credit card fee charge.

I. GENERAL MANAGER'S UPDATE

Mr. Powell stated Mr. Mike Youshock, Civil Engineer III, was promoted to Senior Water Engineer and would formally take over that position February 1, 2020.

A motion to Recess 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

At approximately 4:17 p.m., the Board of Directors went into recess.

At approximately 4:23 p.m. the Board of Directors came out of recess in the work session room and continued at the Board Considerations portion of the meeting.

J. ADJOURNMENT

1. Adjourn until 4 p.m. on February 25, 2020, for the Regular Meeting

A motion to Adjourn was made by Ruth Larson, the motion result was Passed.

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

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

At approximately 5:08 p.m., Ms. Sadler recessed the Board of Directors.


Deputy Secretary