

MINUTES
JAMES CITY SERVICE AUTHORITY BOARD OF DIRECTORS
REGULAR MEETING
County Government Center Board Room
101 Mounts Bay Road, Williamsburg, VA 23185
March 24, 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 - via phone

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

Ms. Larson requested a motion to Allow Ms. Sadler, who was unable to attend the meeting, to participate via phone for the Board of Directors meeting due to extenuating circumstances.

A motion to Allow Ms. Sadler to Participate by Phone was made by Michael Hipple, the motion result was Passed.

AYES: 4 NAYS: 0 ABSTAIN: 0 ABSENT: 1
Ayes: Hipple, Icenhour Jr, McGlennon, Larson Absent: Sadler

Ms. Larson stated the Board is adhering to social distancing to avoid exposure spread of the Coronavirus in response to a declared State of Emergency.

1. Remote Participation Policy

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, McGlennon, Sadler, Larson

Ms. Sadler designated Ms. Larson, Vice Chairman, as the presiding officer of the meeting.

A motion to Move Agenda Item No. 4 to the Front of the Meeting was made by John McGlennon, the motion result was Passed.

AYES: 5 NAYS: 0 ABSTAIN: 0 ABSENT: 0
Ayes: Hipple, Icenhour Jr, McGlennon, Sadler, Larson

C. PRESENTATIONS

None

D. PUBLIC COMMENT

None

ADOPTED

MAY 05 2020

Board of Directors
James City County, VA

E. CONSENT CALENDAR

1. Minutes Adoption - 022520 Regular Meeting

A motion to Approve was made by John McGlennon, the motion result was Passed.
AYES: 5 NAYS: 0 ABSTAIN: 0 ABSENT: 0
Ayes: Hipple, Icenhour Jr, McGlennon, Sadler, Larson

F. PUBLIC HEARING(S)

None

G. BOARD CONSIDERATION(S)

1. Affirmation of Emergency Staffing Plan and Authorizations to Address a Local Emergency Related to Coronavirus (Covid-19)

A motion to Approve was made by James Icenhour Jr, the motion result was Passed.
AYES: 5 NAYS: 0 ABSTAIN: 0 ABSENT: 0
Ayes: Hipple, Icenhour Jr, McGlennon, Sadler, Larson

Mr. Powell gave an overview of the resolution included in the Agenda Packet.

Mr. McGlennon stated it was a wise decision to suspend any discontinuation of services during the current emergency being confronted.

2. Contract Award - Server Hardware and Software Replacement - \$168,205

A motion to Approve was made by John McGlennon, the motion result was Passed.
AYES: 5 NAYS: 0 ABSTAIN: 0 ABSENT: 0
Ayes: Hipple, Icenhour Jr, McGlennon, Sadler, Larson

Mr. Powell gave an overview of the memorandum and resolution included in the Agenda Packet. He stated if this resolution was adopted, his intention was to temporarily defer this purchase due to recent developments; however, not indefinitely. He asked the Board to adopt the resolution so that it would be in place when necessary.

3. Contract Award - Elevated Storage Tank ES-1 Repair - \$300,000

A motion to Approve was made by James Icenhour Jr, the motion result was Passed.
AYES: 5 NAYS: 0 ABSTAIN: 0 ABSENT: 0
Ayes: Hipple, Icenhour Jr, McGlennon, Sadler, Larson

Mr. Powell gave an overview of the memorandum and resolution included in the Agenda Packet. He stated he would proceed with this purchase right away in an effort to have this storage tank repair completed before the beginning of the peak season.

4. Resolution Authorizing the Issuance and Sale of Revenue Bonds, Series 2020

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, McGlennon, Sadler, Larson

Mr. Powell introduced remote participants: Mr. Courtney Rogers, Senior Vice President of Davenport & Company, LLC; Ms. Martha Warthen, Bond Counsel, Hunton, Andrews, Kurth, LLP; and Ms. Stephanie Luton, Assistant Manager, James City Service Authority (JCSA). He gave an overview of the memorandum and resolution included in the Agenda Packet. Mr. Powell stated this item was considered for deferral; however, the financial advisor recommended this resolution be adopted with the idea that it would allow flexibility to act quickly should market conditions change. He noted the resolution included in the original Board packet was revised to allow a potential bank loan as an option to move forward in addition to a public sale. Mr. Powell conveyed his commitment to the Board and commented that if the Board adopted the resolution he would be in touch with each Board member before acting.

Mr. Rogers stated unusual things were currently happening in the marketplace on the equity side as well as on the bond side. He stated what has been seen in the news recently was an equity issue in the municipal market, with people pulling money out of bond funds at record levels the last several weeks, with more sellers than buyers. He noted that as prices were lowered in the bond world the interest rates go upward, which was what had been happening recently. He discussed interest rates, the resolution included in the Agenda Packet that would allow the ability of a direct bank loan, and the importance of having cash on hand.

Ms. Larson expressed her gratitude for being proactive and providing various options.

H. BOARD REQUESTS AND DIRECTIVES

Mr. McGlennon inquired about current JCSA protocols regarding teleworking and safety practices being enforced for crews working out in the fields.

Mr. Powell discussed various arrangements: teleworking; policy implementations at the Five Forks water treatment facility allowing no more than two waterworks operators at a time; small JCSA offices staffing two employee's each; and field employees being split into two teams, with one team working one week and the other team working the following week. He further discussed these implementations in regard to the possibility of employees being quarantined and the ability to operate, concluding this was the plan that would provide the most physical separation between staff.

Mr. McGlennon stated that was a sensible policy to be following.

Mr. Powell stated he did not feel the staffing plan in place today would be a permanent staffing plan, noting there would have to be flexibility to address future changes.

Ms. Larson asked fellow Board members if they had any questions.

Ms. Sadler expressed her appreciation to Mr. Powell and staff for their part in ensuring the safety of the public during this difficult time.

I. GENERAL MANAGER'S UPDATE

Mr. Powell emphasized the water supply is safe and the Coronavirus is not a waterborne pathogen and does not pose a threat to the water supply. He stated normal treatment procedures that the JCSA, as well as other localities, has in place are effective in disinfecting this particular virus, again emphasizing the water supply is safe. He addressed the subject of finances and stated currently he has suspended many capital projects, all but necessary operating expenditures, until there is a better handle on the impact on revenues. He further stated he implemented a policy whereas any expenditure over \$1,000 would require Ms.

Luton's signature and any expenditure over \$5,000 requires his approval. He discussed the estimated effects of this procedure on revenues in regard to the JCSA budget and expressed his kudos to Ms. Luton for her efforts in this analysis. He examined previous effects of the 2008 recession on the JCSA budget, as well as lessons learned regarding sensitivity of tap fees to what is currently happening in the economy and pondered the scenario of possibly no tap fee collections for the rest of this fiscal year. He focused on the operating methodology and noted 2008 was not particularly relevant in this scenario as this current situation has resulted in more unemployment more quickly. He stated the assumption at this point is an approximate 15% reduction in operating revenue volumetric and fixed charges. He further stated if this event continued for a lengthy amount of time, future discussion should entail a possible recommendation to ban irrigation in an effort not to add any more stress on the system than necessary. He remarked these were assumptions being used to estimate the revenue impact and determine what expenditures could possibly be eliminated. He concluded that the JCSA has \$50 million in a reserve fund of which \$16 million is undesignated, therefore placing the Authority in a good position with its reserves and flexibility to address the possible impact on the budget.

Ms. Larson discussed a possible timeframe for discussion regarding this topic and inquired how a ban on irrigation could be enforced.

Mr. Powell stated he did not feel any action would be required before the next Board of Supervisors meeting, but perhaps more likely in a month. He briefly discussed possible terms on enforcing a ban on irrigation.

General discussion ensued regarding the possibility of enforcing a ban on irrigation.

Mr. Hipple expressed his appreciation in looking at the JCSA finances and suggested a monthly update in the General Manager's Update portion of each Board of Directors meetings.

J. ADJOURNMENT

1. Adjourn until 5 p.m. on April 14, 2020, for the Joint Budget Public Hearing

A motion to Adjourn was made by John McGlennon, the motion result was Passed.

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

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

At approximately 4:25 p.m., the Board of Directors adjourned.


Deputy Secretary