

A G E N D A

JAMES CITY SERVICE AUTHORITY

County Government Center Board Room

May 11, 2004

7:00 P.M.

A. ROLL CALL

B. CONSENT CALENDAR

1. Minutes
 - a. April 27, 2004, Work Session
 - b. April 27, 2004, Regular Meeting

C. BOARD CONSIDERATIONS

1. Changes to the Regulations Governing Utility Service - Retail Service Charges
2. Resolution of Appropriation - James City Service Authority - FY 2005
3. Amendment to the Regulations Governing Utility Service - Independent Water Systems Connection Fee

D. BOARD REQUESTS AND DIRECTIVES

E. ADJOURNMENT

AT A WORK SESSION OF THE BOARD OF DIRECTORS OF THE JAMES CITY SERVICE AUTHORITY, JAMES CITY COUNTY, VIRGINIA, HELD ON THE 27TH DAY OF APRIL 2004, AT 4:00 P.M. IN THE COUNTY GOVERNMENT CENTER BOARD ROOM, 101 MOUNTS BAY ROAD, JAMES CITY COUNTY, VIRGINIA.

A. ROLL CALL

Jay T. Harrison, Sr., Chairman
John J. McGlennon, Vice Chairman
M. Anderson Bradshaw
Bruce C. Goodson
Michael J. Brown

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

B. BOARD CONSIDERATION

1. Update on James City Service Authority Projects

Mr. Larry M. Foster, General Manager of the James City Service Authority (JCSA), provided an overview of the priorities of the JCSA and commented on the commitments of staff to the customers of the JCSA.

Mr. Foster introduced Ms. Dion Walsh, JCSA Geographic Information Systems (GIS), for an overview of the services provided by JCSA with Geographic Information Systems.

Ms. Walsh stated that the GIS is a system staff uses to keep track of the infrastructures, records, plans, and documents of the JCSA; stated that the priority is to locate easy-to-find items just constructed before it gets covered by landscaping, then locate existing items that have been landscaped or otherwise covered; stated the benefits of GIS in the workflow of staff; and stated that staff is in the process of linking the water valves, sewer valves, and fire hydrants in the work order system.

Mr. Goodson inquired if the updates in the office are automatically distributed to the field staff.

Ms. Walsh stated that updates are not automatic yet; however, updates are done on a monthly basis.

Mr. Wanner inquired if the system will be able to show the wells that have been mitigated as well as the ones that have been abandoned and capped.

Mr. Foster stated that the wells that have been mitigated have been updated on the system; the abandoned wells are next on the list of items to add to the system.

Mr. Jim Hopkins, JCSA Supervisory Control & Data Acquisition (SCADA), provided an overview of the SCADA and how it can alert staff and technicians of failures and functions at lift stations and well facilities throughout the County, and that this enables technicians and staff to manage the stations and facilities.

Mr. Wanner inquired about JCSA's interface with the interconnections from other jurisdictions.

Mr. Foster provided a brief overview of the interconnections and the system's interface at those points.

The Board and staff discussed surface water treatments versus groundwater treatments and the complications of mixing the two in one water system.

Mr. Hopkins provided an overview of the Hansen system used to track maintenance and work orders, and print maps of pipe systems to be worked on; and demonstrated how it was utilized in anticipation of Hurricane Isabel.

Mr. Goodson inquired if the systems have benefited the JCSA and if a savings has been realized.

Mr. Foster stated the savings occurs when staff can do preventative maintenance on the facilities, protect the facilities, and monitor the facilities through the system rather than having staff visit the office prior to visiting each facility.

Mr. Foster provided an overview of the status of the water distribution improvements, pressure-reducing station, concentrate main work, water storage facilities, water production facilities, independent wells, the Monticello Avenue extended corridor work, and the replacement and upgrades of lift stations.

Mr. Foster provided an overview of the elevated storage tank options for the tanks at Season's Trace and Stonehouse Industrial Park.

Mr. Harrison commended the JCSA on utilizing technology.

Mr. Brown inquired about the status of the Riverview Plantation Water System.

Mr. Foster stated that the JCSA is waiting for the approval of the State Corporation Commission (SCC) for the transfer.

Mr. McGlennon inquired about the removal of three water tanks and replacing them with one tank in Season's Trace to improve the pressure and flow of water in the area. He also stated that the Stonehouse tank was a separate project that would be addressed concurrently with the Season's Trace tank.

Mr. Bradshaw inquired about the possibility of communications towers on the proposed tank in Season's Trace.

Mr. Foster stated that the JCSA is going to design and plan the tanks to accommodate communications tower sites on the tanks.

The Board discussed the options for the water tanks, endorsed the removal of the three existing water tanks, and replacement with two water tanks.

Mr. Brown inquired about the fiscal implications of taking down three communications towers on the water tanks.

Mr. Foster stated that they are hoping to locate the communications towers on the new tanks.

Mr. Goodson inquired if the communications tower could be placed on the Toano tower.

Mr. Foster stated that cellular companies never pursued locating an antenna on the Toano tank but

hopes that there will be interest in the Stonehouse Industrial Park.

C. RECESS

Mr. Harrison recessed the Board at 6:07 p.m. until 7 p.m.

Sanford B. Wanner
Secretary to the Board

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AT A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE JAMES CITY SERVICE AUTHORITY, JAMES CITY COUNTY, VIRGINIA, HELD ON THE 27TH DAY OF APRIL 2004, AT 7:00 P.M. IN THE COUNTY GOVERNMENT CENTER BOARD ROOM, 101 MOUNTS BAY ROAD, JAMES CITY COUNTY, VIRGINIA.

A. ROLL CALL

Jay T. Harrison, Sr., Chairman
John J. McGlennon, Vice Chairman
M. Anderson Bradshaw
Bruce C. Goodson
Michael J. Brown

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

B. PUBLIC HEARING

1. Fiscal Year 2005 and Fiscal Year 2006 Proposed Budget

Ms. Suzanne Mellen, Director of Budget and Accounting, provided the Board with an overview of the proposed FY 2005 and FY 2006 Budget and proposed water/sewer rate increases, and recommended the Board hold a Public Hearing to invite public comment on any aspect of the Budget.

Mr. Harrison opened the Public Hearing.

As no one wished to speak to this matter, Mr. Harrison closed the Public Hearing.

At 8:44 p.m., Mr. Harrison recessed the Board for the duration of the Board of Supervisors meeting.

Mr. Harrison reconvened the Board at 9:17 p.m.

C. CONSENT CALENDAR

Mr. McGlennon made a motion to adopt the item on the Consent Calendar.

The motion passed by a unanimous voice vote.

1. Minutes – April 13, 2004, Regular Meeting

D. PUBLIC HEARING (Continued)

1. Amendment to the Regulations Governing Utility Service – Establishment of Rate Equalization Fund (Continued from April 13, 2004)

Mr. Larry M. Foster, General Manager of the James City Service Authority, stated that this item was continued from the April 13 meeting. Mr. Foster stated that upon further review of the regulation, staff noted minor changes that would greatly strengthen the proposal.

Mr. Foster requested that the Board withdraw the item after the Board holds a Public Hearing on the proposal, and stated that staff will bring the amendment back before the Board after it has been duly advertised.

Mr. Harrison opened the Public Hearing.

As no one wished to speak to this matter, Mr. Harrison closed the Public Hearing.

Without objection from the Board, Mr. McGlennon made a motion to withdraw the item from the agenda.

On a roll call vote, the vote was: AYE: Bradshaw, Goodson, Brown, McGlennon, Harrison (5). NAY: (0).

E. BOARD REQUESTS AND DIRECTIVES - None

F. ADJOURNMENT

Mr. McGlennon made a motion to adjourn.

The motion passed by a unanimous voice vote.

Mr. Harrison adjourned the Board at 9:19 p.m.

Sanford B. Wanner
Secretary to the Board

MEMORANDUM

DATE: May 11, 2004
 TO: The Board of Directors
 FROM: Robert H. Smith, Assistant Manager, James City Service Authority
 SUBJECT: Changes to the Regulations Governing Utility Service - Retail Service Charges

The attached resolution approves changes to the “Regulations Governing Utility Service.” At a Work Session held on December 16, 2003, the Board was presented with a Water and Sewer Rate Study for FY 05. A Public Hearing was subsequently held by the Board on April 27, 2004, on proposed changes to the water and sewer rates for FY 05. These changes have been used in preparation of the James City Service Authority FY 2005-06 Budget.

The proposed changes are listed below:

1. Residential Water Retail Service Rate (Inverted-Block Rate):

<u>Quarterly Consumption</u>	<u>FY 04 Current Rate</u>	<u>FY 05 Proposed Rate</u>
<u>1st Block:</u>		
Less than 15,000 gallons	\$2.30 per 1,000 gallons (\$1.72 per 100 cubic feet)	\$2.30 (\$1.72)
<u>2nd Block:</u>		
More than 15,000 gallons but less than 30,000 gallons	\$2.60 per 1,000 gallons (\$1.95 per 100 cubic feet)	\$2.71 (\$2.03)
<u>3rd Block:</u>		
More than 30,000 gallons	\$7.45 per 1,000 gallons (\$5.57 per 100 cubic feet)	\$7.60 (\$5.69)

2. Nonresidential Water Retail Service Rate:

Flat Rate	\$2.60 per 1,000 gallons \$1.95 per 100 cubic feet)	\$2.70 (\$2.02)
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3. Sewer Retail Service Rate:

Flat Rate	\$2.50 per 1,000 gallons (\$1.87 per 100 cubic feet)	\$2.70 (\$2.02)
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Changes to the Regulations Governing Utility Service - Retail Service Charges

May 11, 2004

Page 2

Attached is a resolution adopting the proposed changes, which would become effective July 1, 2004. Staff recommends adoption of the proposed resolution.

Robert H. Smith

CONCUR:

Larry M. Foster

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Attachment

RESOLUTION

CHANGES TO THE REGULATIONS GOVERNING UTILITY SERVICE -

RETAIL SERVICE CHARGES

WHEREAS, the Board of Directors of the James City Service Authority conducted a Public Hearing on April 27, 2004, to receive public comment on proposed changes to the Regulations Governing Utility Service dealing with increasing water and sewer rates.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the James City Service Authority, James City County, Virginia, hereby adopts changes to the rates, fees, and charges, which are summarized below to become effective for all bills mailed on or after July 1, 2004:

1. Residential Water Retail Service Rate (Inverted-Block Rate):

1st Block:

Less than 15,000 gallons per quarter	\$2.30 per 1,000 gallons (\$1.72 per 100 cubic feet)
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2nd Block:

More than 15,000 gallons but less than 30,000 gallons per quarter	\$2.71 per 1,000 gallons (\$2.03 per 100 cubic feet)
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3rd Block:

More than 30,000 gallons per quarter	\$7.60 per 1,000 gallons (\$5.69 per 100 cubic feet)
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2. Nonresidential Water Retail Service Rate:

Flat Rate	\$2.70 per 1,000 gallons (\$2.02 per 100 cubic feet)
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3. Sewer Retail Service Rate:

Flat Rate	\$2.70 per 1,000 gallons (\$2.02 per 100 cubic feet)
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BE IT FURTHER RESOLVED, that the proposed amendments be made part of this resolution.

Jay T. Harrison, Sr.
Chairman, Board of Directors

ATTEST:

Sanford B. Wanner
Secretary to the Board

Adopted by the Board of Directors of the James City Service Authority, James City
County, Virginia, this 11th day of May, 2004.

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SECTION 32. GENERAL RATE POLICY AND RATE SCHEDULE

A. General rate policy. The determination of rates for the Authority is based upon three interrelated elements:

1. Revenue requirements. Revenue requirements to ensure proper operation and maintenance, development and perpetuation of the system, legal requirements imposed by the Code of Virginia and by debt agreements, and maintenance of the Authority financial integrity.

Revenue requirements are generally defined under either a cash basis or a utility basis. EPA mandates a utility basis for a system constructed with grant funds and the major regulatory agencies endorse the utility basis for defining revenue requirements.

A brief visual comparison is shown below:

<u>Revenue requirements defined</u>	<u>Cash basis</u>	<u>Utility basis</u>
Operations and maintenance	X	X
Debt service - interest expense	X	X
Debt service - payment of principal and reserves	X	
Annual requirements for improvements	X	
Return on investment		X
Depreciation		X

The Authority endorses and uses the cash basis to define revenue requirements with improvements financed from commodity service charges and connection fees.

2. Allocation of costs to services provided. Water and wastewater systems are designed and built with several objectives and the associated costs should be allocated to these cost components, as follows:

<u>Water</u>	<u>Wastewater</u>
Base costs for service	Base costs for collection
Demand costs	Base costs for treatment
Customer costs	Demand costs
Direct fire protection	Customer costs
Future capacity	Future capacity

Water and wastewater systems must have the capacity, and therefore generate costs, to provide basic services for average consumption. They must also be designed to meet customer demands for peak usage - seasonal, maximum day and maximum hour. There are certain costs that are also associated with customers, such as meter reading and billing, that are not associated with usage. Water systems also provide capacity (and incur costs) for fire protection.

If a system can be developed to isolate these costs and assess them based upon the parties benefitted, then the "cost of service" assignment of costs philosophy is best met. This procedure is identified as the Base-Extra Capacity Method. The Authority has adopted a goal of fully implementing the base-extra capacity method to associate charges with service.

This rate policy is a major step in pursuit of that goal and generally has included the following basic tenets:

- (a) Base costs will be assigned to the overall customer base and a separate charge will be assessed for customer costs. The base costs will be billed, whenever possible, on the basis of demand or usage, using water consumption as measured by a meter.
- (b) Costs of excess capacity shall be assessed against the entire customer base until a satisfactory method can be developed to assess these costs to specific beneficiaries.
- (c) The costs of future capacity for both water and wastewater, as well as the specific costs for fire protection have been financed in the past by contributions from the County. A specific identification of the costs and benefits associated with future capacity and fire service should better define and clarify the County's role in utility financing.

3. Distribution of costs to customer classes. In the past the Authority has allocated costs to various customer classes based upon an estimate of equivalent residential units with average service requirements. The rate revisions proposed attempt to eliminate estimates of usage and substitute actual usage for customer classes based upon metered consumption. These rates clearly attempt to establish service charges most directly in relationship to the cost of service. Customer classes are defined by meter size. This meter size determines the capacity for service and therefore reflects the customer's proportional estimated use. Actual use will be the basis for billing unless actual use cannot be measured. In that case, estimated use based upon equivalent residential units will be assessed.

Costs relating to unique uses of the system, such as separate fire connections and grinder pumps, are proposed to be assessed separately to those customer classes who benefit.

The following are the rates and fees:

B. Wastewater charges.

1. System facilities charge. A system facility charge for wastewater collection service to be furnished through each new separate service connection which is to be made to a public sewer, regardless of who may have paid for the installation of the public sewer to which the connection is to be made, shall be paid by each applicant for service prior to the installation of service, as follows:

- (a) Metered water service

Commercial, industrial, institutional, multifamily residential, and single-family residential:

<u>Meter size</u> <u>(inches)</u>	<u>Charge</u>	<u>Meter size</u> <u>(inches)</u>	<u>Charge</u>
5/8 Residential	\$ 300 per Bathroom Fixture	3	\$24,000
5/8 Nonresidential	2,500	4	37,500
3/4	3,500	6	75,000
1	4,000		
1-1/2	7,500		
2	12,000		

- (b) Non-metered water service.

Where water is provided by an unmetered source, the following estimated charges shall be assessed:

<u>Activity, Use</u>	<u>Unit</u>	<u>Charge</u>
Single-family residences	Each	\$300 per Bathroom fixture
Single-family manufactured homes	Each	1,000
Manufactured homes in parks	Each lot	1,000
Two family, apartments and townhouses	Each	300 per Bathroom fixture
Schools (with showers)	Student	80
Schools (without showers)	Student	50
Motels and hotels	Room	650
Minimum		2,500
Manufacturing	Msf	300
Minimum		1,200
Warehouses	Msf	100
Minimum		1,200
Service stations	Each	1,200
Camping facilities	Each space	500
Minimum		1,200

Restaurants	Seat	20
Minimum		1,200
Commercial	Msf	N/A
Minimum		1,500
First	30,000 sq. ft.	500
Next	10,000 sq. ft.	450
Next	10,000 sq. ft.	400
Over	50,000 sq. ft.	350

The purpose of this charge is to defray in part the cost of providing force mains, pump stations, transmission mains, booster pumps, and other system facilities. The charge shall be paid prior to the issuance of a plumbing permit from Code Compliance.

2. Local facilities charge. A local facilities charge of \$1,050 for each separate connection to public sewer shall be paid by each applicant who desires to secure wastewater service therefrom, which charge shall be paid prior to the approval of the application for service; provided, however, in any instance where satisfactory evidence shows that an applicant has paid the cost of installation of the local facility to which the connection is to be made, either by installing the local facility at his expense and then conveying the same to the Authority (or its predecessors) or by reimbursing the Authority (or its predecessors) for the cost of such local facilities, the local facilities charge shall be waived. Additionally, when the Authority did not install or have a rebate agreement, the local facilities charge shall also be waived.

In situations where a new wastewater system has been installed by the Authority and whereas any applicant adjacent to this new system that has an existing septic system desires to secure wastewater service therefrom, the local facilities charge shall be waived for a period of 12 months from the completion date of the new wastewater system installation.

The purpose of this charge is to defray in part the cost of installing collection mains which are necessary to provide wastewater collection service to abutting properties and which have been provided at the expense of the Authority or persons, firms or corporations other than the applicant. The charge shall be paid prior to the issuance of a plumbing permit from Code Compliance.

3. Grinder Pump Installation and Maintenance Charge.
 - (a) Any applicant for a sewer connection requiring a residential grinder pump may purchase the grinder pump (that meets Authority Standards and Specifications) plus ancillary parts from the Authority at cost if the grinder pump is necessary to replace an existing septic system. In addition, if the connection to the public sewer system is replacing a septic system, the applicant is eligible for the deferred payment plan discussed in Paragraph G, Section 2.
 - (b) The Authority may, at the applicant request, install the residential grinder pump for the cost of materials as stated above plus labor and equipment costs. These

costs are in addition to the normal Sewer System Facilities Charge if required. Grinder pumps will normally be installed within the existing right-of-way where the force main is located. If the topography dictates that the grinder pump be located within the applicants property then the Authority will prepare the necessary plat and easement for the applicant to execute to permit installation of the grinder pump on the applicants property.

- (c) A annual grinder pump maintenance charge of \$145.80 shall be paid for each separate connection to a grinder pump when the operation and maintenance of said residential grinder pump is the responsibility of the Authority. The payment for this charge will be prorated in equal amounts in the customers utility service charge billing. The Authority shall not maintain nonresidential grinder pumps or other commercial pump stations unless such utility maintenance is deemed by the Authority to be in the interest of the public health or is necessary to protect the integrity of the system, or such facility is located within a designated Reservoir Protection Zone.

- 4. Service connection charge. A service connection charge shall be paid by each applicant for each new service connection prior to the approval of the application therefor, as follows:

<u>Service installed by:</u>	<u>Charge</u>
Developer, applicant	\$10 per connection inspection fee
Authority	Actual cost times 1.25, including overhead

The purpose of this charge is to defray the cost of installation or inspection of a service connection from the public sewer main in the street to the curb or property line.

The service connection charge shall be waived provided the applicant has paid a local facilities charge and the sewer service line is not greater than 6 inches in diameter for a gravity main or 2 inches in diameter for a force main. In the event that the service connection charge is not waived, the local facilities charge will be applied against the service connection charge.

- 5. Retail service rates. The wastewater service charge shall be based on usage from a metered water source where available. For wastewater service on an unmetered water source a meter size equivalent shall be used, based upon an estimated charge.

- (a) Metered water source.

Charge for all collection and treatment of wastewater

<u>Volume</u>	<u>Collection</u>
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Per 1,000 gallons of

water consumed \$~~2.50~~ 2.70

Per 100 cubic feet of
water consumed \$~~1.87~~ 2.02

Metered water usage shall be reduced by a metered reading from a landscaping meter or similar device if the landscaping meter or device is registered with the Authority.

A copy of the deduction meter reading must be received by the Authority 20 days prior to the end of each billing period. Regardless of the length of time, sub-meter reading adjustments will only be allowed up to the consumption in the current billing period.

(b) Unmetered water source.

Where no meter exists or where meter readings are not made available by the water supplier to the Authority, then the following estimated charges shall be assessed:

<u>Activity, use</u>	<u>Unit</u>	<u>Collection</u>
Single-family residences	Each	\$ 42.00
Single-family mobile homes	Each	42.00
Mobile homes in parks	Each lot	37.25
Duplex, apartments and townhouses	Each	37.25
Schools (with showers)	Student	4.25
Schools (without showers)	Student	2.65
Motels and hotels	Room	18.55
Minimum		186.70
Manufacturing	Msf	11.10
Minimum		55.85
Warehouses	Msf	7.45
Minimum		46.50
Service stations	Each	49.95
Camping facilities	Each space	16.25
Minimum		64.25
Restaurants	Seat	4.95
Minimum		55.85
Commercial	Msf	18.55
Minimum	1,000 Sq. Ft.	55.85
Churches	Each	40.65
Swimming pools	Sfe	40.65
Laundromats	Sfe	40.65

Others to be established when needed.

The purpose of the retail service charge is to defray all other costs of providing wastewater collection for domestic, commercial and industrial uses including replacement, renewals, extensions; and repayment of money borrowed to acquire or construct the wastewater collection and transmission system.

C. Water charges.

1. System facilities charge. A system facilities charge for water service to be furnished through each new separate service connection which is to be made to a public water main, regardless of who may have paid for the installation of the public water main to which the connection is to be made, shall be paid by each applicant for service prior to the installation of the water service connection, as follows:

Commercial, industrial, institutional, multifamily residential and single-family residential:

<u>Meter size</u> <u>(inches)</u>	<u>Charge</u>	<u>Meter size</u> <u>(inches)</u>	<u>Charge</u>
5/8 Residential	\$ 300 per Bathroom fixture	3	\$24,000
5/8 Nonresidential	2,500	4	37,500
3/4	3,500	6	75,000
1	4,000		
1-1/2	7,500		
2	12,000		

The purpose of this charge is to defray in part the cost of providing major supply, transmission main, booster pumping and distribution storage facilities. The charge shall be paid prior to the issuance of a plumbing permit from Code Compliance.

2. Local facilities charge. A local facilities charge of \$1,300.00 for each separate connection to an existing water main shall be paid by each applicant who desires to secure water service therefrom, which charge shall be paid prior to the approval of the application for service; provided, however, in any instance where satisfactory evidence shows that an applicant for a connection has paid the cost of installation of the local facility to which the connection is to be made, either by installing the local facility at his expense and then conveying the same to the Authority (or its predecessors) or by reimbursing the Authority (or its predecessors) for the cost of such local facility, the local facilities charge shall be waived. Additionally, where the Authority did not install or have a rebate agreement, the local facilities charge shall also be waived.

The purpose of this charge is to defray in part the cost of installing mains, valves and fire hydrants which are necessary to provide water service to abutting properties and which have been provided at the expense of the Authority or persons, firms or corporations other than the applicant. The charge shall be paid prior to the issuance of a plumbing permit from Code Compliance.

3. Service connection charge. A service connection charge shall be paid by each applicant for each new service connection and meter installation prior to the approval of the application, as follows:

<u>Installation of connection by</u>	<u>Charge</u>
Developer, applicant	\$10 per meter inspection fee
Authority	Actual cost times 1.25, including overhead

The purpose of this charge is to defray the cost of installation or inspection of a service connection from the water main in the street to the curb or property line and the installation of a meter either at the curb or property line or within the premises.

The service connection charge shall be waived provided the applicant has paid a local facilities charge and the water service line is not greater than 2 inches in diameter. In the event that the service connection charge is not waived, the local facilities charge will be applied against the service connection charge.

4. Retail service charge. Water service shall be based upon a commodity charge for all consumption, as follows:

<u>Residential:</u>	<u>Volume</u>	<u>Charge</u>
First Block	Less than 15,000 gallons per Quarter	\$2.30 2.40 per 1,000 gallons (\$1.72 1.80 per 100 cubic feet)
Second Block	The next 10,000 gallons up to 30,000 gallons per Quarter	\$2.60 2.71 per 1,000 gallons (\$1.945 2.03 per 100 cubic feet)
Third Block	More than 30,000 gallons per Quarter	\$7.45 7.60 per 1,000 gallons (\$5.57 5.69 per 100 cubic feet)
 <u>Nonresidential:</u>	 <u>Volume</u>	 <u>Charge</u>
	Per 1,000 gallons	\$2.60 2.70
	Per 100 cubic feet	\$1.94 2.02

The purpose of the retail service charge is to defray all costs of providing water service for domestic, commercial and industrial uses and for firefighting purposes, including

repayment of moneys borrowed to acquire or construct the water system; operation and maintenance; and renewals, replacements and extensions.

D. Exceptions to local, system facilities charges. The provisions of Section 29 above shall be observed when there is a conflict between Section 29 and the provisions of Sections 32 (B) and 32 (C) above.

E. Billing and account charges. The following charges shall be assessed for any customer billed by the Authority.

1. Account charge. An account charge of \$10.00 (\$20.00 if the meter is read) shall be paid by each applicant for continuing service, whether for a new account or for a transfer of account, for water and/or wastewater service.

The purpose of this charge is to defray the cost incurred in clerical and bookkeeping activities, the turning on of services and/or meter reading required for each new account or transfer of account.

2. Transaction charge for late payment. A transaction charge for late payment of 10% of the current bill balance due, shall be added to a bill in the event that the bill is not paid within thirty (30) days following the date thereof.

The purpose of this charge is to defray the cost associated with the rebilling of accounts not paid on a prompt basis.

3. Interest charge for late payments with a lien. An interest charge for late payment of 8 percent simple interest on the principal (delinquent amount) due, shall be added to any account when a lien has been placed upon real estate. Such lien on any real estate may be discharged by the payment to the Authority of the total lien amount, penalty, and the interest which has accrued to the date of the payment.

4. Restoration of service charge. Where service has been terminated on account of the nonpayment of any bill, a restoration of service charge of \$30.00 (\$100.00 for a single service wastewater customer not on metered water service) shall be paid before service is restored, except as defined in Section 17 (A)(2).

The purpose of this charge is to defray the expenses of terminating and restoring service, including clerical and bookkeeping activities.

5. Meter test deposit. A test of a water meter shall be done at the request of a water customer upon payment of a meter test deposit as defined in Section 11. If the meter is found to be 3 percent or more fast then the deposit shall be refunded. If inoperable or 25 percent or more slow, the deposit shall be credited against a revised billing. The deposit shall be determined by meter size, as follows:

Meter size

Deposit

5/8" - 2"	\$30
3" and over	\$80

6. Fire hydrant charge. For customer-requested hydrants installed under the provisions of Section 21, there shall be an installation cost of actual cost plus an allowance of 25 percent for overhead. The applicant shall deposit with the Authority an estimated fee prepared by the Authority, subsequently adjusted at the completion of the installation with costs exceeding the estimate billed or, in case the estimate exceeds the cost, refunded to the applicant.

The purpose of this charge is to assess to the user the cost of installing fire hydrants for the benefit of the applicant.

7. Temporary water service charge. Under the provisions of Section 22, an applicant for temporary service shall pay, upon application, for the estimated costs of installing, replacing and removing the facilities which are required to furnish such services plus an allowance of 25 percent for overhead. The applicant shall receive a refund if the estimate exceeds the actual. The applicant shall also pay service charges and all charges caused by a late payment or nonpayment. The applicant may also be required to post a deposit as described in Section 6.
8. Fire connection detector check meter charge. Fire connection detector check meters shall be read and billed at least annually or on a more frequent basis, as determined by the Authority. Rates governing normal water usage shall be assessed.

Fire connection detector check meters monitor non-fire flow usage from a fire connection and there should be little or no water activity.

- F. Multiple charges bills. All charges and fees above are in addition to charges and fees assessed and owed to Newport News Waterworks, the Hampton Roads Sanitation District, or any other private or municipal utility.
- G. No free service. There shall be no utility service provided to any customer without the assessment of service charges.
- H. Plan Review Fee. The following charges shall be assessed for the appropriate plan. The purpose of this charge is to defray cost incurred for time used to provide engineer technical review.

REZONINGS

5 acres or less	\$100
Greater than 5, but less than 10 acres	\$150
Greater than 10 acres	\$200

SPECIAL USE PERMITS (SUP)

General	\$200
Family Subdivision	\$ 50
Other	\$ 50

SITE PLANS

Administrative Review

Residential Structures (Multifamily)	\$200 plus \$5 per unit
Nonresidential Structures	\$200 plus \$0.004 per sq. ft. of building area
Mixed Use Structures	\$200 plus \$5 per residential unit plus \$0.004 per sq. ft. of nonresidential building area

Planning Commission Review

Residential Structures (Multifamily)	\$200 plus \$5 per unit
Nonresidential Structures	\$200 plus \$0.004 per sq. ft. of building area
Mixed Use Structures	\$200 plus \$5 per residential unit plus \$0.004 per sq. ft. of nonresidential building area

Amendment to an Approved Plan

Residential Structures (Multifamily)	\$50 plus \$2 per residential unit
Nonresidential Structures	\$50 plus \$0.001 per sq. ft. of building area
Mixed Use Structures	\$50 plus \$2 per residential unit plus \$0.001 per sq. ft. of nonresidential building area

Facility Plan Reviews

Wastewater Pumping Station	\$1,500
Well Facility	\$1,500

MASTER PLAN REVIEW

Initial Review	\$600
Revision of plan	\$600

SUBDIVISION PLAN REVIEW

No Public Improvements Required	\$25
Public Improvements Required	\$150 per plan plus \$25 per lot for each lot over 2.
Facility Review	\$1,500 per wastewater pumping station or well facility.

- I. Inspection Fee. There shall be an inspection fee of \$25.00 for the third and subsequent inspections for water and sewer service connections. These will include, but are not limited to, water meter box installations, water and sewer service line connections, and grinder pump installations. This charge will be paid prior to the third and/or subsequent inspections.

The purpose of this fee is to defray the expenses of making multiple on-site inspections to correct previously identified deficiencies.

- J. Sub-Meter Account Charge. An account charge of \$18.00 shall be paid annually by each customer who has established a Sub-Meter Account. The payment for this charge will be prorated in equal amounts in the customer utility service charge billing.

The purpose of this charge is to defray the cost incurred in clerical and bookkeeping activities. The sending out and receiving of sub-meter forms for each reading and making adjustments to the respective accounts.

- K. Inspection Fee for Water and Sewer Lines. There shall be a fee for the inspection of public water and sewer installations. Such fee shall be \$1.43 per foot for every foot of water main and sewer main constructed and shall be submitted at the time of filing an application for a land disturbance permit.

The purpose of this change is to defray the cost incurred to make the actual inspection of the water and sewer lines.

sect32.ratepolicysch

MEMORANDUM

DATE: May 11, 2004
TO: The Board of Directors
FROM: Robert H. Smith, Assistant Manager, James City Service Authority
SUBJECT: Resolution of Appropriation - James City Service Authority - FY 05

Attached for consideration and adoption is the resolution for the FY 05 appropriations for the James City Service Authority:

Water Fund
Sewer Fund
Administration Fund
Capital Improvement Program
Debt Service Fund

Staff recommends adoption of the attached resolution.

Robert H. Smith

CONCUR:

Larry M. Foster

RHS/gs
fy05app.mem

Attachment

RESOLUTION OF APPROPRIATION -

JAMES CITY SERVICE AUTHORITY - FY 05

WHEREAS, the Secretary has prepared a proposed budget for the fiscal year beginning July 1, 2004, and ending June 30, 2005; and

WHEREAS, the Board of Directors has considered said budget and does now propose to adopt the budget.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the James City Service Authority, James City County, Virginia, that the following amounts are hereby adopted and appropriated for operations and activities in the amounts as shown below:

1. The following amounts are hereby appropriated in the Water Fund:

Water Fund - Revenues:

Service Charges	<u>\$6,270,553</u>
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Water Fund - Expenditures:

Administration Fund Allocation	\$1,871,908
Operations and Maintenance	2,510,338
Capital Equipment Outlay	198,700
Operating Reserve	118,998
Capital Improvements Program (3R)	185,165
Debt Services Fund	<u>1,385,444</u>
	<u>\$6,270,553</u>

2. The following amounts are hereby appropriated in the Sewer Fund:

Sewer Fund - Revenues:

Service Charges	<u>\$4,773,480</u>
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Sewer Fund - Expenditures:

Administration Fund Allocation	\$2,585,016
Operations and Maintenance	1,620,489
Capital Equipment Outlay	93,000
Operating Reserve	132,884
Capital Improvements Program (3R)	<u>342,091</u>
	<u>\$4,773,480</u>

3. That the following amounts are hereby appropriated for the funds as indicated below:

ADMINISTRATIVE FUND

Revenues:

Allocated to Water Fund	\$1,871,908
Allocated to Sewer Fund	<u>2,585,016</u>
	<u>\$4,456,924</u>

Expenditures:

Personnel Expenses	\$3,192,239
Operating Expenses	1,158,085
Capital Outlay	<u>106,600</u>
	<u>\$4,456,924</u>

CAPITAL IMPROVEMENTS PROGRAM

Revenues:

Operating Fund Transfer	\$ 527,256
Facility Charges	<u>2,867,760</u>
	<u>\$3,395,016</u>

Expenditures:

Water Supply	\$ 385,165
Water Distribution	1,000,000
Water Transmission and Storage	510,000
Sewer System Improvements	1,064,851
Other Projects	<u>435,000</u>
	<u>\$3,395,016</u>

DEBT SERVICE FUND

Revenue:

Water Fund Contribution	<u>\$1,385,444</u>
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Expenditure:

Revenue Bonds, Series 2003	<u>\$1,385,444</u>
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Jay T. Harrison, Sr.
Chairman, Board of Directors

ATTEST:

Sanford B. Wanner
Secretary to the Board

Adopted by the Board of Directors of the James City Service Authority, James City
County, Virginia, this 11th day of May, 2004.

fy05app.res

M E M O R A N D U M

DATE: May 11, 2004

TO: The Board of Directors

FROM: Larry M. Foster, General Manager, James City Service Authority
Frank M. Morton, III, County Attorney

SUBJECT: Amendment to the Regulations Governing Utility Service - Independent Water Systems Connection Fee

Over the past several years, it became increasingly evident that the James City Service Authority (“JCSA”) was running a substantial deficit on the operation and maintenance of independent water systems. Consequently, the JCSA commissioned Municipal Finance and Services Corporation (MSFG) in the fall of 2003 to study the matter. MSFG confirmed that the costs to operate the six independent water systems owned by the JCSA exceed the revenues generated. This deficit is subsidized by the customers served by the Central Water System. MSFG recommended a fee of \$4,000 per lot or residential unit (“lot”) for any lots created in the future in order to address the issue of the deficits for future independent water systems. At a Work Session held on December 16, 2003, the Board agreed in concept to impose such a fee.

Generally, the JCSA takes on the operation and maintenance of independent water systems via Section 19-57 of the County’s Subdivision Ordinance, which requires that the developer of any major development (six lots or more) install a water system to serve the development and upon completion of the facility, to turn the water system over to the JCSA. This requirement was incorporated into the Subdivision Ordinance to promote the health, safety, and welfare of the community and the County by: 1) ensuring that an adequate water supply with a qualified dependable operator is available for the homes served by the water system; 2) ensuring an adequate and dependable flow of water to provide fire protection; 3) providing a level of protection to the aquifer supporting the JCSA’s and County’s efforts to safeguard the groundwater system; and 4) precluding the JCSA and County from having to incur the expense of retrofitting a neighborhood with a public water system should a private water system or private wells fail to serve the homes. In the late 1970s, the County incurred significant expense constructing water lines to serve the Sandhill neighborhood after several of the private wells serving individual homes failed.

While different options have been discussed, staff recommends a \$4,000 per lot Independent Water System Connection Fee. Staff further recommends that the fee be collected prior to the JCSA accepting by dedication the facilities of the independent system. This is the point at which the JCSA actually begins incurring expenses related to operating the system and connections will begin immediately in most instances.

Should the independent water system be connected to the Central Water System, staff recommends funds being held in the dedicated account be used to pay the construction costs to connect to the Central Water System. Any remaining funds would continue in the fund and be used as needed to offset operating costs of the independent systems. Staff’s position is consistent with the JCSA imposing a uniform connection fee for all users of an independent water system. The connection fee of \$4,000 per lot was determined based on the additional JCSA costs for collectively operating all independent water systems. All connection fees are to be set aside in an account for the JCSA to provide service to independent water systems. As such, staff believes that the funds in this account will have a collective rather than individual purpose.

Staff recommends approval of the attached resolution which begins the process of advertising a public hearing to amend the JCSA's Regulations Governing Utility Service by establishing a \$4,000 Independent Water System Connection Fee for each lot of a residential development requiring an independent water system and incorporating the provisions discussed above. Staff will also be requesting that a Work Session be set to discuss the proposal set forth above prior to the public hearing.

Larry M. Foster

Frank M. Morton, III

LMF/FMM/gs
Indepwtrfee.mem

Attachment

RESOLUTION

AMENDMENT TO THE REGULATIONS GOVERNING UTILITY SERVICE -

INDEPENDENT WATER SYSTEMS CONNECTION FEE

WHEREAS, on December 16, 2003, staff and consultants presented the Board of Directors with a Cost of Service Study prepared by Municipal Financial Service Corporation (MSFG) demonstrating that the costs to operate exceeded revenues for the six Independent Water Systems owned by the James City Service Authority (JCSA); and

WHEREAS, MSFG recommended the establishment of a fee on water connections, serving new Independent Water Systems, the proceeds of which as well as any investment income would be used to offset the costs of operating the Independent Water Systems established after August 1, 2004; and

WHEREAS, MSFG determined that a fee of \$4,000 per connection is necessary to offset the costs over revenues for Independent Water Systems; and

WHEREAS, the proceeds from the connection fee will be deposited in a dedicated Independent Water System Fee Account and used to offset the operating deficit of the water system; and

WHEREAS, Section 15.2-5136 (G) of the Code of Virginia requires that a public hearing be conducted on any proposal to implement or increase an existing water fee; and

WHEREAS, the notice of public hearing will appear May 15 and 24, 2004, in the *Daily Press*; and

WHEREAS, the JCSA proposes to amend the Regulations Governing Utility Service in order to promote the health, safety, and welfare of the community and the County by: 1) ensuring that an adequate water supply with a qualified dependable operator is available for the homes served by the water system; 2) ensuring an adequate and dependable flow of water to provide fire protection; 3) providing a level of protection to the aquifer supporting the JCSA's and County's efforts to safeguard the groundwater system; and 4) precluding the JCSA and County from having to incur the expense of retrofitting a neighborhood with a public water system should a private water system or private wells fail to serve the homes.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the James City Service Authority, James City County, Virginia, hereby proposes to amend the James City Service Authority's Regulations Governing Utility Service by adding Section 32-C-5 as follows:

The developer of any Independent Water System for which the development plans are submitted after August 1, 2004, in accordance with the provisions of Section 19-57, Water Facilities of the Subdivision Ordinance, shall be required to pay a per lot or residential unit Independent Water System Connection Fee of \$4,000 to the JCSA for each lot or residential unit created by the subdivision prior to the JCSA accepting the facilities for operation and maintenance.

The monies collected shall be placed in a dedicated account; the proceeds and investment returns will be used to offset the costs of operating the Independent Water Systems created after August 1, 2004. Should it become financially practical to connect an Independent Water System constructed under these provisions to the JCSA Central Water System, the monies deposited in the account for such system shall be used to offset the costs of constructing the infrastructure to connect the two water systems. Any balance of the funds will remain in the JCSA account and be used to offset the operating deficits of the Independent Water System created after August 1, 2004.

Jay T. Harrison, Sr.
Chairman, Board of Directors

ATTEST:

Sanford B. Wanner
Secretary to the Board

Adopted by the Board of Directors of the James City Service Authority, James City County, Virginia, this 11th day of May, 2004.

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