

**A G E N D A**

**JAMES CITY SERVICE AUTHORITY BOARD OF DIRECTORS**

**WORK SESSION**

**County Government Center Board Room**

**October 14, 2003**

**4:00 P.M.**

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- A. CALL TO ORDER**
  - B. ROLL CALL**
  - C. BOARD DISCUSSION**
    - 1. Riverview Plantation Water System
  - D. ADJOURNMENT**

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MEMORANDUM

DATE: October 14, 2003  
TO: The Board of Directors  
FROM: Larry M. Foster, General Manager, James City Service Authority  
SUBJECT: Riverview Plantation Water System

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The residents of Riverview Plantation have approached the James City Service Authority (JCSA) about assuming the responsibility for operating the water system serving their community. The urgency of the situation has been reinforced as a result of two "Boil Water" notices issued by the Department of Health resulting from the identification of fecal coliform (e-coli) in the neighborhoods water supply within a 30-day period. In addition, the neighborhood was without water for several days following Hurricane Isabel because electricity to the neighborhood was lost and the well facility does not have a generator.

The water system is owned by Tidewater Water Company located in Smithfield, Va., and is the only remaining major privately-owned water system in the County. The system serves approximately 70 of the 80-plus homes located in the neighborhood. Residents are required by property covenant to connect to the water system. Water fees are approximately double those paid by JCSA customers.

Water System Evaluation:

JCSA staff has discussed the condition of the water system with representatives of the neighborhood for approximately three years. In 2000, the JCSA commissioned AES Engineers to perform an evaluation of the water system. The evaluation indicated:

- Well facility was antiquated, inadequate, and needed to be replaced with a facility that can provide water treatment such as reverse osmosis. Estimated Cost - \$600,000.
- Water Distribution System - aging, small water lines resulting in low water pressure. The report suggested that the water distribution system will need replacement within the next 5-10 years. Estimated Cost - \$600,000.

The estimated per connection costs to bring the water system up to JCSA standards is \$17,000. It should also be noted that under the JCSA's current pricing structure, revenues do not offset expenses from a small independent water system like the one in Riverview Plantation.

Neighborhood Involvement:

At several recent neighborhood meetings, the necessity of a financial commitment from those served was reinforced. A commitment of \$5,000 per household was discussed. In a recent survey, circulated by the Homeowners Association, more than 75 percent of the neighborhood expressed a desire for the JCSA to operate the water system and agreed to contribute toward the costs of the improvements to the water system.

In discussions with neighborhood residents several methods of payment were discussed to include:

1. Outright payment by property owner

2. Deferred payment - JCSA regulations provide for deferred payment over a four-year period with 25 percent up front with an 8 percent interest fee. (These parameters can be changed if the Board so desires.)
3. A lien on the property that is paid when the property is sold.
4. Taxing District - A taxing district can be established that collects the contributions from the individual property through the County's property tax system. The County Attorney has indicated that 60 percent of the neighborhood residents are required to agree before a taxing district can be established as a method for the property owners in neighborhoods to contribute to upgrades to the water system.

System Acquisition:

The estimated costs to improve the water system outlined above do not reflect payment to the owner for the system. The JCSA's assumption of the responsibility of the water system is further complicated if Tidewater Water Company expects payment for the water system infrastructure. Neighborhood representatives have contacted the owner to determine willingness to dispose of the water system.

Tidewater Water Company has indicated to neighborhood representatives a willingness to sell the water system for \$32,000. The Homeowners Association has agreed to raise the funds to pay for the water system and transfer it to the JCSA at no cost.

General Plan:

As soon as the water system is controlled by the JCSA, staff will evaluate the facility and immediately implement remedial improvements to make the water system more reliable. Concurrently, the JCSA will evaluate an alternate water supply. Two options are available:

1. A new well facility that because of source water quality, the new facility will likely require some level of treatment, i.e., reverse osmosis. A groundwater withdrawal permit application will be necessary. The current withdrawal is not permitted. It will take 18 - 24 months to design, permit, and build the needed water supply facility.
2. Extension of a water line from the Wexford Hills well facility to the Riverview Plantation community. This will require a special use permit that will include conditions that prohibit connection to the water line outside of the Riverview Plantation. This option could be complete with 12 months.

Recommendation:

It is requested that the Board authorize the staff to continue working with the Riverview Plantation residents toward the resolve of this issue. Any other guidance will be appreciated.

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Larry M. Foster