

AT A WORK SESSION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF JAMES CITY, VIRGINIA, HELD ON THE 22ND DAY OF JUNE 2010, AT 4:00 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, Stonehouse District
Mary Jones, Vice Chair, Berkeley District
Bruce C. Goodson, Roberts District
James O. Icenhour, Jr., Powhatan District
John J. McGlennon, Jamestown District

Sanford B. Wanner, County Administrator
Leo P. Rogers, County Attorney

C. BOARD DISCUSSIONS

1. Proposed Spending Plan for Stormwater Capital Projects Fiscal Years 2011-2021

Mr. John Horne, Manager of General Services, presented a proposed spending plan for Stormwater Capital Projects Fiscal Years 2011-2021 and noted the proposed plan was grouped by the voting district and by the fiscal year. Mr. Horne commented that permit and easement acquisitions usually take the most time to complete and are the most difficult to predict; and, as a result, staff had made some assumptions about certain projects to allow staff to focus on easement acquisitions for a large number of projects. He commented on the project list which consisted of a mix of approaches including traditional design and construction, design-build alternatives, accelerated easement acquisition, and project management.

Ms. Fran Geissler, Stormwater Management Director, gave a presentation on the 10-year summary of projects which are based on criteria. There will be phases on the projects and some projects may be built within five years.

Mr. Kennedy asked if the project estimates are in current dollars.

Ms. Geissler responded that the proposed spending plan is in today's dollars.

Mr. Kennedy asked if these figures include inflation.

Ms. Geissler responded no costs of inflation are included in the figures. She explained about drainage improvements, flood mitigation, as well as repairs to Jamestown 1607. She discussed stream restoration and how it can help regulate flood plain and lessen clogged channels. She presented several possible projects to the Board.

Mr. Icenhour commented on the project at Raintree and asked about its flexibility within this list.

Mr. Horne responded that the specific project in the Raintree area would need to simply keep water from entering homes and commented on a neighborhood rainwater treatment. He indicated that there may be no savings and discussed further options.

Mr. Kennedy asked if it is possible to do these projects in five years.

Mr. Horne responded that this would not be cost-efficient based on the projects to do in a five-year period.

Mr. Kennedy commented on cost efficiency. He stated that he does not want to look for more money and asked if the County should look for more funds based on inflation.

Ms. Geissler commented that \$22 million is projected for the first five years, but it is unknown how inflation will affect these projects in the next five years. She asked what number would be used for inflation.

Mr. McGlennon commented on new projects that were not previously identified and asked if some projects may not be needed.

Ms. Geissler responded that is correct.

Mr. McGlennon stated that some of these projects may involve the participation of homeowners and there may be opportunities from other sources for funding. He commented that we may want to consider how these projects will benefit the communities.

Mr. Horne stated that some of the orange-coded projects are in VDOT's ROW. He commented on the six-year plan and that these projects would not be in the spreadsheet if not beneficial for the County.

Mr. Wanner stated that the Board would be stepping in to take over State responsibilities in the County.

Mr. McGlennon asked if we could defer the projects and provide incentives to the State to share the cost.

Mr. Icenhour inquired about the \$30 million that the projects need to catch up.

Ms. Geissler responded that is correct and commented that besides this program there should be another program to deal with stormwater issues. She stated that we need to think about how to maintain our stormwater projects on a regular basis.

Mr. Horne stated that other localities have programs to handle stormwater issues in neighborhoods whose infrastructures have a need. He stated that this spreadsheet does reflect all the neighborhoods in the County and that as time goes by, neighborhood needs will change. He stated that this is a capital portion to handle the various conditions of need.

Mr. Icenhour asked about ROW or acquisition.

Ms. Geissler commented on trying to get easements donated to the County. She stated that a lot of conservation has to be done with the public.

Mr. Icenhour asked if they can be resolved in three to five years.

Ms. Geissler discussed the Raintree Best Management Practice (BMP) which has some issues about stormwater.

Mr. McGlennon asked if there have been some measurable projects in handling water quality issues.

Ms. Geissler discussed a water treatment model to reduce the sediment and to measure what issues are being dealt with.

Mr. McGlennon stated that it is very important to address neighborhood problems.

Mr. Horne stated that this is addressing the water quality issues in the County. He discussed the measurement of results which refers to the measurement of the pollutants in our waterways and streams.

2. Stormwater Referendum

Mr. Courtney Rogers, Investment Consultant, Davenport and Company, LLC, presented the necessary bond funding potential for the proposed referendum to fund stormwater management capital improvements in the County. He commented that the \$30 million bonds would be feasible in the County's financial structure and reviewed debt capacity and timing strategies for spending the bond proceeds. He noted that the \$30 million bond issue would imply an impact of \$0.0225 toward debt service, assuming \$1.1 million per penny with a very conservative interest rate. Mr. Rogers noted that the bond ratings were exceptional and a referendum process would make the bond market more accessible. He commented that interim funding might make the timeline more feasible. He noted that the referendum was viable for eight years and could be extended for two additional years, allowing for a ten-year window in which to borrow the funds. He reviewed the impacts of the bond issue on debt capacity and debt affordability for the County. He recommended putting cash funding aside to account for inflation prior to issuing the bonds. He reviewed payout ratios and strategies to pay off the debt. Mr. Rogers reviewed concerns with debt service versus revenues, which would be above the targeted 3-percent as the stormwater management capital projects are developed in future years if the \$0.0225 increase is not implemented.

Discussion was held about the flexibility of a pay-go strategy. Mr. Rogers reviewed different bond types, including tax exempt rates and subsidies of Build America bonds. The Board and staff discussed the various projected bond-financed projects to determine how the stormwater management project financing would fit with other projects over time.

Discussion was held on strategies for borrowing ahead and interim financing for the projects.

The Board and staff discussed the Referendum Question, which would be discussed as an agenda item during the regular meeting. Discussion was held on the inclusion of the \$0.0225 tax rate increase as part of the language in the referendum question and on the ballot for the benefit of the public. Discussion was held on the potential for dedicating the \$0.0225 increased tax revenue to capital projects.

Mr. McGlennon stated that he is willing to support the \$0.0225 tax rate increase to address stormwater. He stated it was a political question for the Board about whether the \$0.0225 increase should be tied to the referendum.

Mr. Rogers stated that if the additional funding is not collected up front, the projects must then compete with other projects.

Ms. Sue Mellen, Assistant Manager of Financial Management Services, noted that the County may not need to borrow the entire amount if funds were raised up front.

Discussion was held on how the language of the referendum question would present the implications of the increased tax rate. The Board directed staff to pull previous referendum questions in order to review the wording. The Board members expressed a desire to defer the Referendum Question until the meeting on July 13, 2010.

3. Watershed Management Planning Update

Mr. John Horne, General Services Manager, and Ms. Fran Geissler, Stormwater Manager, presented an update on the County's Watershed Management Plan. Ms. Geissler provided the Board with an overview of the Watershed Management Plans which identified and addressed potential sources of water quality impairment and identify the sensitive areas, streams, and stormwater infrastructure which are in need of restoration and retrofit. She noted that several watershed baseline assessments have been completed, including the Powhatan, Yarmouth, and Skiffes Creek watersheds. She noted that the Gordon Creek and Mill Creek watershed assessments were in progress.

Ms. Geissler presented issues involving Gordon Creek as well as the baseline assessment of Mill Creek and the Mill Creek Watershed findings. She discussed the watershed goals such as baseline assessment, stakeholder input, and previous watershed studies. Ms. Geissler reviewed water quality priorities.

4. Stormwater Retention Pond Study Meeting

Steven Hicks, Development Manager, stated that Dr. Greg Hancock, Associate Professor in the Department of Geology at the College of William and Mary and his students performed a study on the performance of the County's existing stormwater retention ponds and staff would review the results and recommendations with the Board.

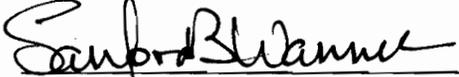
Dr. Hancock discussed stormwater quantity control in James City County, measurement of stormwater retention ponds, and recommendations to improve the performance of stormwater retention ponds, which he found were not performing well. He reviewed his field research and evaluation of the retention time of stormwater ponds in the County. Dr. Hancock commented that an alternative design for stormwater retention ponds is the Kerplunk method, but using the method has resulted in creating ponds that hold water half as long as required by the regulations for 24-hour retention. Dr. Hancock recommended that the Kerplunk method not be used based on the 24-hour retention period requirement and he discussed the various other design methods based on State and County requirements for BMPs. He also recommended requiring calculation and proof that a pond would achieve the 24-hour retention period.

Discussion was held on the State standards for stormwater retention and the more rigorous standards for County BMPs. Dr. Hancock stated that increasing the retention period would result in a 15-percent increase in size for the current 12-hour BMPs. Discussion was held about why the County guidelines for channel protection were more stringent than the State requirements.

Discussion was held on the performance of the existing BMPs. The Board and staff discussed alternative ways to address stormwater quantity and runoff reduction and whether or not the Kerplunk method for stormwater retention ponds would continue to be used in relation to new State regulations.

D. BREAK

At 5:43 p.m. the Board took a break.


Sanford B. Wanner
Clerk to the Board

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