

AGENDA
JAMES CITY SERVICE AUTHORITY BOARD OF DIRECTORS
CONTINUATION OF REGULAR MEETING
COUNTY GOVERNMENT CENTER BOARD ROOM
101 MOUNTS BAY ROAD, WILLIAMSBURG, VA 23185
November 15, 2023
4:00 PM

A. CALL TO ORDER

B. ROLL CALL

C. PRESENTATION(S)

1. Information for Grandfathered Grinder Pump Customers

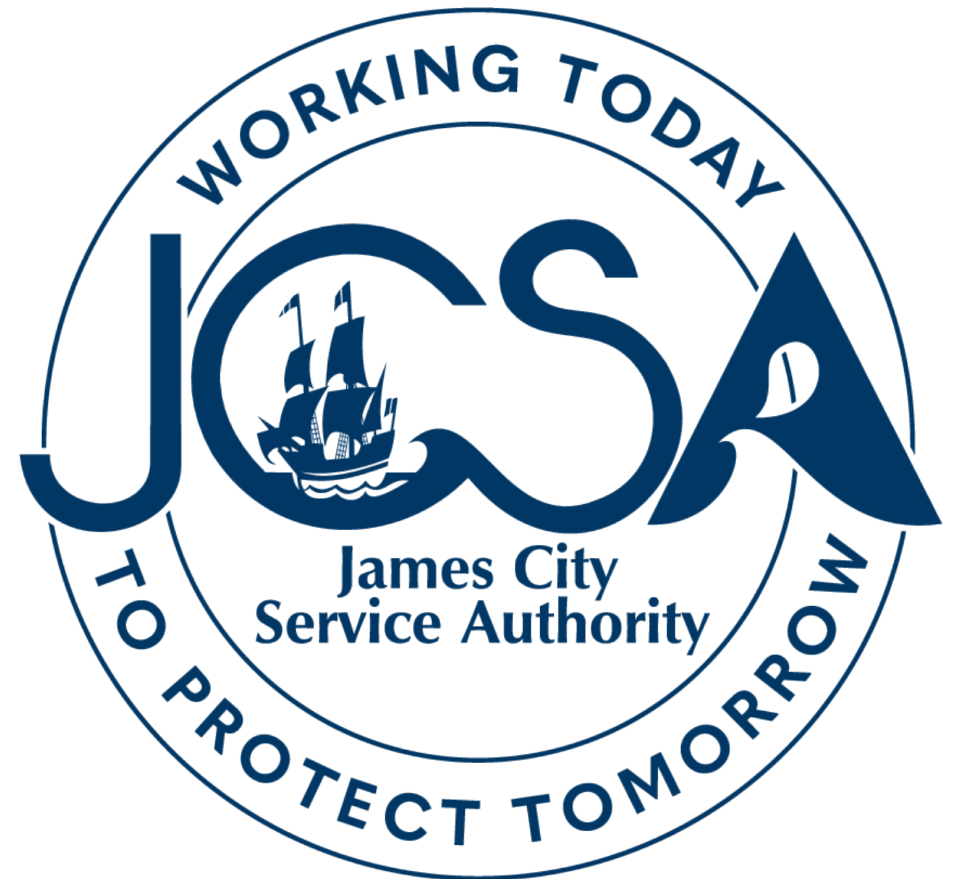
D. PUBLIC COMMENT

E. ADJOURNMENT

1. Adjourn until 5 pm on December 12, 2023 for the Regular Meeting

James City Service Authority

Grandfathered Grinder Pump
Service Agreements
November 15, 2023



Agenda

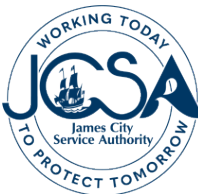
Meeting Purpose: Information for Grandfathered
Grinder Pump Customers

Provide Background

Explain Reasons for Recommendation to Charge
Grandfathered Customers

Receive Comments

A Decision Will Not Be Made Today; Decision
Will Be Made in Early 2024



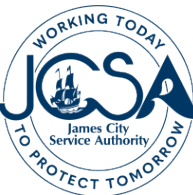
Background

In 1980's -90's, a number of customers paid JCSA \$300 for maintenance for their grinder pump

These customers believe, and at least some were told, that they would not have to pay for any future maintenance

No written agreements have been found

We refer to these customers as “grandfathered”



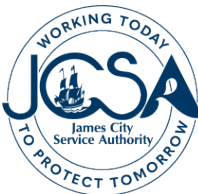
Background

Over time, JCSA began to charge new customers for grinder pump service agreements

In 2005, the JCSA Board of Directors established that grandfathered agreements would not convey with the sale of the property

This is how we have operated for many years

There are now 107 grandfathered agreements



Background

April of 2023 – General Manager notifies Board of intent to revise grinder pump program and end the program in 2028

- Changes include coverage of pump and motor only, and required grandfathered customers to begin paying

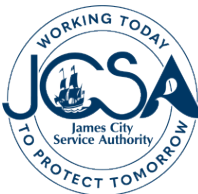
July of 2023 – Customers receive letter informing them of changes to program and intent to end the program in 2028

August of 2023 – 55% of grandfathered customers returned application

September of 2023 – Board of Directors pauses implementation of changes to the grandfathered program

Currently, grandfathered customers are still covered by program at no charge, but only the pump and motor are covered

JCSA grinder pump program ends 8/31/28 for all customers



Reasons for Changes to Program

**FINANCIALLY
UNSUSTAINABLE**

**INCONSISTENT
WITH BEST
PRACTICES**

**EQUITABLE
RATES AND
CHARGES**

Reasons for Changes to Program

Financially Unsustainable

Customer is guaranteed a working grinder pump as long as they own their property

Difficult to find parts for older models

Pump and motor should last for 10 years. Current cost of pump and motor is \$2,150.

- In five years, JCSA estimates that half of the grandfathered grinder pump customers would need a new pump at motor, totaling \$113,950.

These costs are direct costs only

Reasons for Changes to Program

Inconsistent with Best Practices

Maintaining privately owned infrastructure on private property with public funds

JCSA assumes risk and liability from working on private property

- Damage to private property or JCSA equipment
- Injury to employee

Private companies can provide service

Difficult for JCSA to ensure customer is in compliance with agreement

Only one public entity in the region has a grinder pump maintenance program (York County). They fund it through the County General Fund. No utility or authority in the region has a similar program.

Reasons for Changes to Program

Equitable Rates and Charges

Authorities are required by state law to collect fees sufficient to fund their activities

Authorities are required by state law to charge fees that are fair, reasonable and equitable

are - Under current system, customers without grinder pumps subsidizing customers with a grinder pump

JCSA Regulations prohibit free service

Questions
or
Comments?

