

**AGENDA**  
**JAMES CITY SERVICE AUTHORITY BOARD OF DIRECTORS**  
**REGULAR MEETING**  
**COUNTY GOVERNMENT CENTER BOARD ROOM**  
**101 MOUNTS BAY ROAD, WILLIAMSBURG, VA 23185**  
**February 11, 2025**  
**5:00 PM**

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**A. CALL TO ORDER**

**B. ROLL CALL**

**C. PRESENTATION(S)**

**D. PUBLIC COMMENT**

**E. CONSENT CALENDAR**

1. Minutes Adoption

**F. PUBLIC HEARING(S)**

**G. BOARD CONSIDERATION(S)**

1. Setting a Public Hearing - Fiscal Year 2026 Utility Rates

**H. BOARD REQUESTS AND DIRECTIVES**

**I. GENERAL MANAGER'S UPDATE**

1. February 2025 Dashboard Report

**J. ADJOURNMENT**

1. Adjourn until 5 pm on March 11, 2025 for the Regular Meeting

**MINUTES**  
**JAMES CITY SERVICE AUTHORITY BOARD OF DIRECTORS**  
**REGULAR MEETING**  
**COUNTY GOVERNMENT CENTER BOARD ROOM**  
**101 MOUNTS BAY ROAD, WILLIAMSBURG, VA 23185**  
**January 14, 2025**  
**4:00 PM**

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**A. CALL TO ORDER**

**B. ROLL CALL**

Michael J. Hipple, Powhatan District  
John J. McGlennon, Vice Chair, Roberts District  
James O. Icenhour, Jr., Jamestown District  
Ruth M. Larson, Berkeley District  
Barbara E. Null, Chair, Stonehouse District

Scott A. Stevens, County Administrator  
Liz Parman, Deputy County Attorney  
M. Douglas Powell, General Manager

**C. ORGANIZATIONAL MEETING**

1. 2025 Organizational Meeting

Ms. Null sought a nomination to appoint the Chair for the upcoming year for the James City Service Authority.

A motion to Nominate Barbara Null as Chair was made by Ruth Larson, the motion result was Passed.

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

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

Ms. Null thanked her fellow Board members.

Ms. Null sought a nomination to appoint the Vice Chair for the upcoming year.

A motion to Nominate Michael Hipple as Vice Chair was made by James Icenhour, the motion result was Passed.

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

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

Ms. Null sought a motion to Adopt the Organizational Meeting resolution setting the meeting times for the associated calendar.

A motion to Adopt the Organizational Meeting resolution was made by John McGlennon, the motion result was Passed.

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

**D. BOARD DISCUSSIONS/GUIDANCE**

None.

**E. CLOSED SESSION**

None.

**F. ADJOURNMENT**

1. Adjourn until 5 pm on January 14, 2025 for the Regular Meeting

A motion to Adjourn was made by Ruth Larson, the motion result was Passed.

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

At approximately 4:01 p.m., Ms. Null adjourned the Board of Directors.

**MINUTES**  
**JAMES CITY SERVICE AUTHORITY BOARD OF DIRECTORS**  
**REGULAR MEETING**  
**COUNTY GOVERNMENT CENTER BOARD ROOM**  
**101 MOUNTS BAY ROAD, WILLIAMSBURG, VA 23185**

**January 14, 2025**

**5:00 PM**

---

**A. CALL TO ORDER**

**B. ROLL CALL**

Michael J. Hipple, Vice Chair, Powhatan District  
James O. Icenhour, Jr., Jamestown District  
Ruth M. Larson, Berkeley District  
John J. McGlennon, Roberts District  
Barbara E. Null, Chair, Stonehouse District

Scott A. Stevens, County Administrator  
Adam R. Kinsman, County Attorney  
M. Douglas Powell, General Manager

**C. PUBLIC COMMENT**

None.

**D. CONSENT CALENDAR**

1. Minutes Adoption

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, Larson, McGlennon, Null

The minutes Approved for Adoption included the following meeting:

- o December 10, 2024, Regular Meeting

**E. PUBLIC HEARING(S)**

1. Regulations Governing Utility Service Updates - Public Hearing and Adoption

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

Mr. Powell addressed the Board noting changes to the James City Service Authority rates and

charges as set forth in the Regulations Governing Utility Service. He stated the purpose of the proposed changes was to clarify the amounts for deposits. Mr. Powell advised that the account charge language clarified a \$20 fee shall be paid by each applicant for a new water service only account or a new sewer service only account. He indicated a \$40 fee shall be paid by each applicant for a new water service and sewer service account. Mr. Powell highlighted the deposit language for water service in the amount of \$100 and \$75 for the sewer service deposit. He noted staff recommended approval of the resolution.

Ms. Null asked if the Board had any questions.

The Board declined.

Ms. Null opened the Public Hearing.

Ms. Null closed the Public Hearing as there were no speakers.

**F. BOARD CONSIDERATION(S)**

None.

**G. BOARD REQUESTS AND DIRECTIVES**

None.

**H. GENERAL MANAGER'S UPDATE**

1. January 2025 Dashboard Report

Mr. Powell advised he had no further updates.

**I. ADJOURNMENT**

1. Adjourn until 12 pm on January 24, 2025 for the Board Retreat at the JCSA Operations Center, 119 Tewning Road, Williamsburg, Virginia

A motion to Adjourn was made by Michael Hipple, the motion result was Passed.

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

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

At approximately 5:02 p.m., Ms. Null adjourned the Board of Directors.

## MEMORANDUM

DATE: February 11, 2025

TO: The Board of Directors

FROM: M. Douglas Powell, General Manager, James City Service Authority

SUBJECT: Setting a Public Hearing - Fiscal Year 2026 Utility Rates

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The James City Service Authority (JCSA) Financial Policy requires a comprehensive rate study every five years. Stantec conducted the 2025 rate study and summarized the recommended changes to the Board at the January 24, 2025, Work Session.

As recommended in the rate study, the proposed Fiscal Year (FY) 2026 changes to the water service rates and the water and sewer fixed charges are designed to maintain adequate revenue and reserves amid increased operating and capital costs from recent significant inflation and continued decreases in water usage. To promote affordability and avoid sudden large one-time rate increases, the rate study plan spreads the required increases over a multi-year period.

The total monthly water and sewer bill for a typical 5,000 gallons per month residential user would increase by \$4.46 per month from \$50.65 to \$55.11, remaining one of the lowest in the Hampton Roads region. The water portion would increase by \$2.96 from \$31.94 to \$34.90 and the sewer portion would increase by \$1.50 from \$18.71 to \$20.21.

The proposed water and sewer fixed charge increases promote long-term revenue and rate stability and move JCSA's fixed cost recovery level closer to the range favored by credit rating agencies. All customers pay the fixed charge regardless of consumption level. Water service charges based on consumption are proposed to increase, but no changes are proposed to the current sewer service rate.

The 2025 rate study also recommends changes to the water and sewer system facility fees, last updated during the 2020 rate study. Facility fees are charged to new development in JCSA's service area to cover the cost of system expansion so that "growth pays for growth". System facility fees are assessed for major backbone infrastructure. The fee updates reflect the cost of system infrastructure in current dollars.

The remaining proposed changes are: 1) an increase to the grinder pump maintenance fee to better match the program's current contract, inspection, and administrative costs and 2) implementation of an Abandonment Inspection Fee of \$200 to recover the labor and equipment costs associated with inspection verifying proper abandonment of a parcel's service connections.

Staff recommends the Board authorize advertisement of a public hearing on April 8, 2025, for changes in the rates and charges effective July 1, 2025, as listed in the attached resolution. The Board can change the advertised charges and rates during its subsequent discussions.

MDP/md  
PH-FY26UtilRates-mem

Attachment

**RESOLUTION**

**SETTING A PUBLIC HEARING - FISCAL YEAR 2026 UTILITY RATES**

WHEREAS, the Board of Directors of the James City Service Authority desires to set a Public Hearing for proposed utility rate changes to the Regulations Governing Utility Service.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the James City Service Authority, James City County, Virginia, will hold a Public Hearing on April 8, 2025, and request staff to review the proposed amendments to the Regulations Governing Utility Service and make changes to the rates as summarized in the attachments which will become effective July 1, 2025, if adopted.

BE IT FURTHER RESOLVED that the proposed amendments be made part of this resolution.

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Barbara E. Null  
Chair, Board of Directors

ATTEST:

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Teresa J. Saeed  
Deputy Secretary to the Board

HIPPLE  
ICENHOUR  
LARSON  
MCGLENNON  
NULL

VOTES

| <u>AYE</u> | <u>NAY</u> | <u>ABSTAIN</u> | <u>ABSENT</u> |
|------------|------------|----------------|---------------|
| _____      | _____      | _____          | _____         |
| _____      | _____      | _____          | _____         |
| _____      | _____      | _____          | _____         |
| _____      | _____      | _____          | _____         |
| _____      | _____      | _____          | _____         |

Adopted by the Board of Directors of the James City Service Authority, James City County, Virginia, this 11th day of February, 2025.

PH-FY26UtilRates-res

## SECTION 17. GENERAL RATE POLICY AND RATE SCHEDULE

General rate policy. Rates for water and sanitary sewer service shall be established by the Board of Directors pursuant to the Virginia Water and Waste Authorities Act (Va. Code § 15.2-5100 et seq.).

### A. 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 the Authority's Sanitary Sewer System shall be paid by each applicant for service prior to the installation of wastewater service connections, as follows:

#### (a) Metered water service

| Meter Size | Wastewater System Facilities Fee |
|------------|----------------------------------|
| 5/8"       | \$ 3,710 <del>3,583</del>        |
| 3/4"       | \$ 5,566 <del>5,375</del>        |
| 1"         | \$ 9,276 <del>8,958</del>        |
| 1 ½"       | \$ 18,550 <del>17,915</del>      |
| 2"         | \$ 29,680 <del>28,664</del>      |
| 3"         | \$ 64,926 <del>62,703</del>      |
| 4"         | \$ 111,507 <del>107,490</del>    |
| 6"         | \$ 250,425 <del>241,853</del>    |
| 8"         | \$ 296,800 <del>286,640</del>    |
| 10"        | \$ 426,650 <del>412,045</del>    |

The system facilities charge for compound meters shall be based on the largest meter size unless the Authority determines, at its sole discretion, the charge shall be based on a smaller meter size fee as supported by project specific data and sound engineering judgement.

Additional system facility charges shall apply for additions to existing structures requiring an increase in meter size. The additional charge shall consist of the incremental increase from the original meter size to the new meter size. No credit shall be granted for a decrease in meter size.

#### (b) Non-metered water service.

Where water is provided by an unmetered source, the charges shall be assessed as follows:

3. Grinder Pump Maintenance Charge.

- (a) Maintenance of sanitary sewer grinder pumps is the responsibility of the property owner, unless a residential property owner applies for and enters into a grinder pump service agreement with the Authority subject to compliance with the Authority's current grinder pump policy. The Authority shall not maintain nonresidential grinder pumps or other commercial pump stations unless it is deemed to be in the best interest of the Authority.
- (b) If a residential grinder pump service agreement is entered into, an annual grinder pump maintenance charge of ~~\$475.00~~ ~~\$450.00~~ shall be paid for each separate connection to a grinder pump. The payment for this charge will be prorated in equal amounts in the customers' utility service charge billing.
- (c) Existing grinder pump service agreements, contracts, or grandfathered grinder pump maintenance agreements between the property owner and the Authority are not transferable or assignable by the property owner and automatically terminate upon transfer of title or ownership of the property.

4. Retail service charge. 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. Wastewater service charges shall be as follows:(a) Metered water source.

Charge for all collection of wastewater.

- (1) Fixed Charge - Each customer bill shall include a fixed charge based upon the size of the meter serving the customer. The fixed charge for each billing cycle shall be calculated based on the monthly fixed charge chart below. This fixed charge is for expenses associated with operating and maintaining the wastewater collection system.

| Meter Size | Monthly Fixed Charge                  |
|------------|---------------------------------------|
| 5/8"       | <del>\$4.51</del> <del>3.01</del>     |
| 3/4"       | <del>\$6.76</del> <del>4.51</del>     |
| 1"         | <del>\$11.25</del> <del>7.51</del>    |
| 1-1/2"     | <del>\$22.49</del> <del>15.01</del>   |
| 2"         | <del>\$35.99</del> <del>24.02</del>   |
| 3"         | <del>\$78.93</del> <del>48.03</del>   |
| 4"         | <del>\$135.30</del> <del>75.05</del>  |
| 6"         | <del>\$304.43</del> <del>150.09</del> |
| 8"         | <del>\$359.83</del> <del>240.15</del> |
| 10"        | <del>\$517.26</del> <del>345.22</del> |

Commercial condensate discharged to the sanitary sewer system, when approved by HRSD and the Authority, shall be billed at the current wastewater collection volumetric rate. The bill shall be based on an estimated condensate volume prepared in accordance with HRSD's criteria and shall be agreed upon by HRSD and the Authority.

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

B. 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 the Authority's water system shall be paid by each applicant for service prior to the installation of the water service connection, as follows:

| Meter Size | Water System Facilities Fee              | Designated Fire Protection Connection Size | Designated Fire Protection Connection Fee |
|------------|------------------------------------------|--------------------------------------------|-------------------------------------------|
| 5/8"       | \$ <del>4,147</del> <del>3,219</del>     | 5/8"                                       | \$ <del>1,078</del> <del>837</del>        |
| 3/4"       | \$ <del>6,221</del> <del>4,829</del>     | 3/4"                                       | \$ <del>1,617</del> <del>1,256</del>      |
| 1"         | \$ <del>10,368</del> <del>8,048</del>    | 1"                                         | \$ <del>2,696</del> <del>2,092</del>      |
| 1 1/2"     | \$ <del>20,736</del> <del>16,095</del>   | 1 1/2"                                     | \$ <del>5,391</del> <del>4,185</del>      |
| 2"         | \$ <del>33,177</del> <del>25,752</del>   | 2"                                         | \$ <del>8,626</del> <del>6,696</del>      |
| 3"         | \$ <del>72,575</del> <del>56,333</del>   | 3"                                         | \$ <del>18,870</del> <del>14,647</del>    |
| 4"         | \$ <del>124,645</del> <del>96,570</del>  | 4"                                         | \$ <del>32,408</del> <del>25,108</del>    |
| 6"         | \$ <del>279,930</del> <del>217,283</del> | 6"                                         | \$ <del>72,782</del> <del>56,494</del>    |
| 8"         | \$ <del>331,768</del> <del>257,520</del> | 8"                                         | \$ <del>86,260</del> <del>66,955</del>    |
| 10"        | \$ <del>476,917</del> <del>370,185</del> | 10"                                        | \$ <del>123,998</del> <del>96,248</del>   |

- (a) The system facilities charge for compound meters shall be based on the largest meter size.
- (b) The system facilities charge for a designated fire protection connection as shown above shall be based on the connection size rather than the meter size.
- (c) A meter installation charge of \$50, plus the meter cost if the meter is provided by the Authority, shall be paid by each applicant for each new service connection and meter installation prior to the connection being made.
- (d) Additional system facility charges shall apply for additions to existing structures requiring an increase in meter size. The additional charge shall consist of the incremental increase from the original meter size to the new meter size. No credit shall be granted for a decrease in meter size.

- (e) System Facilities Charge Exemption. Any lots created after August 10, 2004, which are to be served by an Independent Water System, shall be exempt from the Water System Facilities Charge.

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

- 2. Water service connection fee. A water service connection fee of \$1,436 for each separate connection to the Authority's water system shall be paid by each applicant upon approval of the application for service, and prior to the issuance of a plumbing permit by Building Safety and Permits and making the connection.

If the service connection is required by the Authority, the water service connection fee shall be paid and the Authority shall provide the service connection. Exceptions are as follows:

- a. If the service connection is not required by the Authority, the service connection fee shall be waived and the applicant shall be required to make the connection at their own expense.
- b. If a service connection previously installed by a developer exists to the applicant's property, the service connection fee is waived.
- c. Non-Residential properties are exempt from the service connection fee; however, the applicant must make the connection at their own expense.

The purpose of this charge is to defray in part the cost of installing water service connections where applicable.

- 4. Retail service charge. The water service charge shall be based on usage from a metered water source, as follows:

- (a) Fixed Charge - Each customer bill shall include a fixed charge based upon the size of the meter serving the customer. The fixed charge for each billing cycle shall be calculated based on the monthly fixed charge chart below. This fixed charge is for expenses associated with operating and maintaining the water distribution system.

| Meter Size | Monthly Fixed Charge |                   |
|------------|----------------------|-------------------|
| 5/8"       | \$9.02               | <del>7.52</del>   |
| 3/4"       | \$13.53              | <del>11.28</del>  |
| 1"         | \$22.53              | <del>18.78</del>  |
| 1-1/2"     | \$45.09              | <del>37.59</del>  |
| 2"         | \$72.15              | <del>60.15</del>  |
| 3"         | \$157.83             | <del>131.58</del> |
| 4"         | \$270.55             | <del>225.56</del> |
| 6"         | \$608.77             | <del>507.53</del> |
| 8"         | \$721.52             | <del>601.53</del> |
| 10"        | \$1037.16            | <del>864.68</del> |

- (b) Volumetric Charge - Water service shall be based upon a volumetric consumption charge, as follows:

| Single Family Residential |                        |                        |                          |                          |
|---------------------------|------------------------|------------------------|--------------------------|--------------------------|
|                           | Tier 1                 | Tier 2                 | Tier 3                   | Tier 4                   |
|                           | (monthly use)          | (monthly use)          | (monthly use)            | (monthly use)            |
|                           | 0-4,000 gallons        | 4,001-8,000 gallons    | 8,001-12,000 gallons     | 12,001+ gallons          |
| Rate Per 1,000 Gallons    | \$4.45 <del>4.20</del> | \$8.08 <del>7.62</del> | \$16.15 <del>15.24</del> | \$25.04 <del>23.62</del> |

| Multi-Family Residential and Non-Residential |                        |
|----------------------------------------------|------------------------|
| All Meter Sizes                              | All Use                |
| Rate Per 1,000 Gallons                       | \$7.03 <del>6.63</del> |

The purpose of the retail service charge is to defray all costs associated with operation and maintenance, and capital improvement for providing water treatment, transmission, and distribution for domestic, commercial, and industrial uses and for firefighting purposes, including replacement, renewals, and extensions, and the repayment of money borrowed to acquire or construct the water treatment, transmission, and distribution system.

- D. Independent Water Systems Connection Fee. The developer of any subdivision that requires an Independent Water System to comply with the County Subdivision Ordinance, shall be required to pay to the Authority a connection fee as follows:

1. An independent water system approved by the County and the Authority prior to April 26, 2011, shall pay a fee of \$4,000 per lot or residential unit. Payment shall be made prior to final approval of a subdivision plat.
2. An independent water system approved by the County and the Authority after April 26, 2011, shall pay a fee of \$8,000 per lot or residential unit. Payment shall be made prior to the acceptance by the Authority of the independent water production and treatment facility.

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

- O. Returned payment charge. A charge of thirty dollars (\$30.00) plus any applicable bank or other charges incurred by the Authority as a result of the returned payment shall be assessed for any payment of a utility bill that is returned for insufficient or uncollected funds, or drawn on a closed or nonexistent account. If such payment was presented in order to avoid termination of service for nonpayment of a utility bill, or to have service restored after such termination, utility service shall be terminated and this charge, as well as all others due and payable, shall be submitted in cash, cashier's check, certified check, or money order before utility service is restored.
- P. Disconnection & Delinquency Notification Fees. Effective February 1, 2024, the following fees shall apply. The February 1, 2024 effective date may be extended at the General Manager's discretion.
1. A \$15 fee shall be billed when the Authority provides onsite notification of impending disconnection or disconnects the customer's meter due to delinquent charges.
  2. Meter locking or meter removal required to enforce disconnection shall incur a \$50 fee. Deliberately blocking access to the meter shall incur a \$50 fee.
  3. Removal of or damage to the meter lock placed for disconnection shall incur a \$100 fee. Damage to the meter or antenna shall incur a \$250 fee plus the cost of the replacement parts.
- Q. Certification of Annual Testing of Backflow Preventers Fee. A \$15 fee shall be charged for the annual certification of the testing and inspection of each backflow prevention device as required by the Cross Connection and Backflow Prevention Program, Section 6 - testing of Backflow Preventers, incorporated by reference in Section 16 of these Regulations. The fee shall be paid upon submission of the Backflow Test Form.
- R. Abandonment Inspection Fee. A \$200 fee shall be charged for inspection verifying proper abandonment of a parcel's service connections.



# James City Service Authority

## Water & Sewer Rate Study

February 11, 2025





# Agenda

- **Background and Summary of Prior Study**
- **Revenue Sufficiency & Rate Design**
- **Facility Fees**
- **Questions & Discussion**



# Background & Summary of Prior Study





# Summary of Historic Rate Increases

- **Structural Changes Implemented in FY 2021**
  - Based on results of FY 2020 Rate Study
  - Resulted in 4-tiered structure for water residential customers
- **Since then, modest increases to the water fixed and variable charges**
- **No increases to sewer charges**

| Average Monthly Residential Bill | FY 2021  | FY 2022  | FY 2023  | FY 2024  |
|----------------------------------|----------|----------|----------|----------|
| Water Bill (5,000 Gal/Mo)        | \$ 26.29 | \$ 27.22 | \$ 28.16 | \$ 29.16 |
| Sewer Bill (5,000 Gal/Mo)        | \$ 17.55 | \$ 17.55 | \$ 17.55 | \$ 17.55 |
| Total Bill (5,000 Gal/Mo)        | \$ 43.84 | \$ 44.77 | \$ 45.71 | \$ 46.71 |
| \$ Change                        |          | \$ 0.93  | \$ 0.94  | \$ 1.00  |
| % Change                         |          | 2.12%    | 2.10%    | 2.19%    |

# FY 2024 Revenue Sufficiency Study

## Key Data Points & Policies:

- Develop a rate plan that recognized significant increases in capital and operating costs
- Maintain minimum reserve levels (Avg. of last 3 years exp.)
- Minimize rate increases to the greatest extent possible

## Key Assumptions:

- Continued decreases in per capita water usage
- Modest system growth at around 1% annually
- System renewal and replacement fully cash funded
- Increased operational costs reflected in budget



# Financial Pillars



Sustainable Funding From Rates  
for Recurring Capital Needs



Increase Fiscal Stability &  
Recovery of Fixed Costs



Maintaining Adequate Reserves  
to Mitigate Risks & Plan Ahead

|                            | TIC            | All-In<br>TIC  | Arbitrage<br>Yield |
|----------------------------|----------------|----------------|--------------------|
| Par Value                  | 139,035,000.00 | 139,035,000.00 | 139,035,000.00     |
| + Accrued Interest         |                |                |                    |
| + Premium (Discount)       | 6,637,303.05   | 6,637,303.05   | 6,637,303.05       |
| - Underwriter's Discount   | -493,387.01    | -493,387.01    |                    |
| - Cost of Issuance Expense |                | -733,671.87    |                    |
| - Other Amounts            |                |                |                    |
| Target Value               | 145,178,916.04 | 144,445,244.17 | 145,672,303.05     |
| Target Date                | 10/19/2023     | 10/19/2023     | 10/19/2023         |
| Yield                      | 4.802478%      | 4.843685%      | 4.522296%          |





# Summary of FY 2024 Study Results

|                                   | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 |
|-----------------------------------|---------|---------|---------|---------|---------|---------|
| <b>Water</b>                      |         |         |         |         |         |         |
| <b>Average Single-Family Bill</b> | \$29.16 | \$31.94 | \$34.90 | \$38.09 | \$40.36 | \$41.56 |
| <b>Change (\$)</b>                |         | \$2.78  | \$2.96  | \$3.19  | \$2.27  | \$1.20  |
| <b>Change (%)</b>                 |         | 9.5%    | 9.3%    | 9.1%    | 6.0%    | 3.0%    |
| <b>Sewer</b>                      |         |         |         |         |         |         |
| <b>Average Single-Family Bill</b> | \$17.55 | \$18.70 | \$20.00 | \$21.45 | \$23.18 | \$25.04 |
| <b>Change (\$)</b>                |         | \$1.15  | \$1.30  | \$1.45  | \$1.73  | \$1.86  |
| <b>Change (%)</b>                 |         | 6.6%    | 7.0%    | 7.3%    | 8.0%    | 8.0%    |
| <b>Combined</b>                   |         |         |         |         |         |         |
| <b>Average Single-Family Bill</b> | \$46.71 | \$50.64 | \$54.90 | \$59.54 | \$63.54 | \$66.60 |
| <b>Change (\$)</b>                |         | \$3.93  | \$4.26  | \$4.64  | \$4.00  | \$3.06  |
| <b>Change (%)</b>                 |         | 8.4%    | 8.4%    | 8.5%    | 6.7%    | 4.8%    |

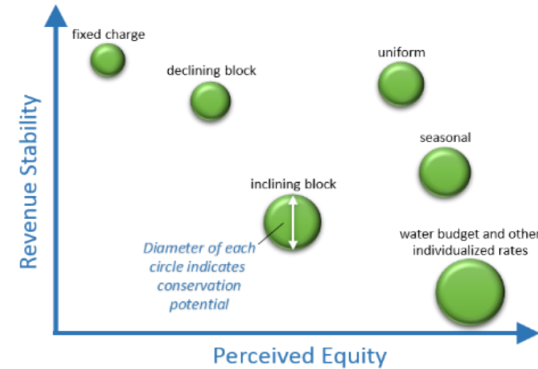
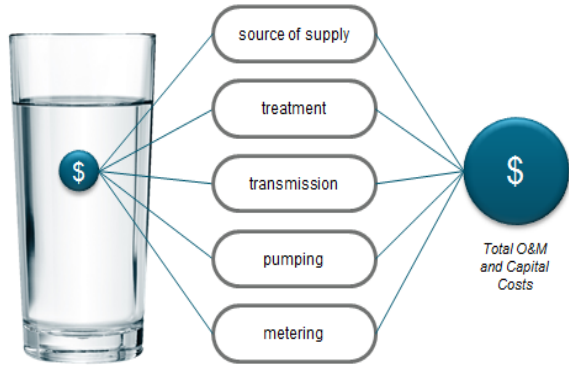


# Current Rate Study





# Elements of the Utility Rate Study Process



## Revenue Sufficiency

How much total revenue is needed each year

## Rate Structure

How to collect revenue from each customer class

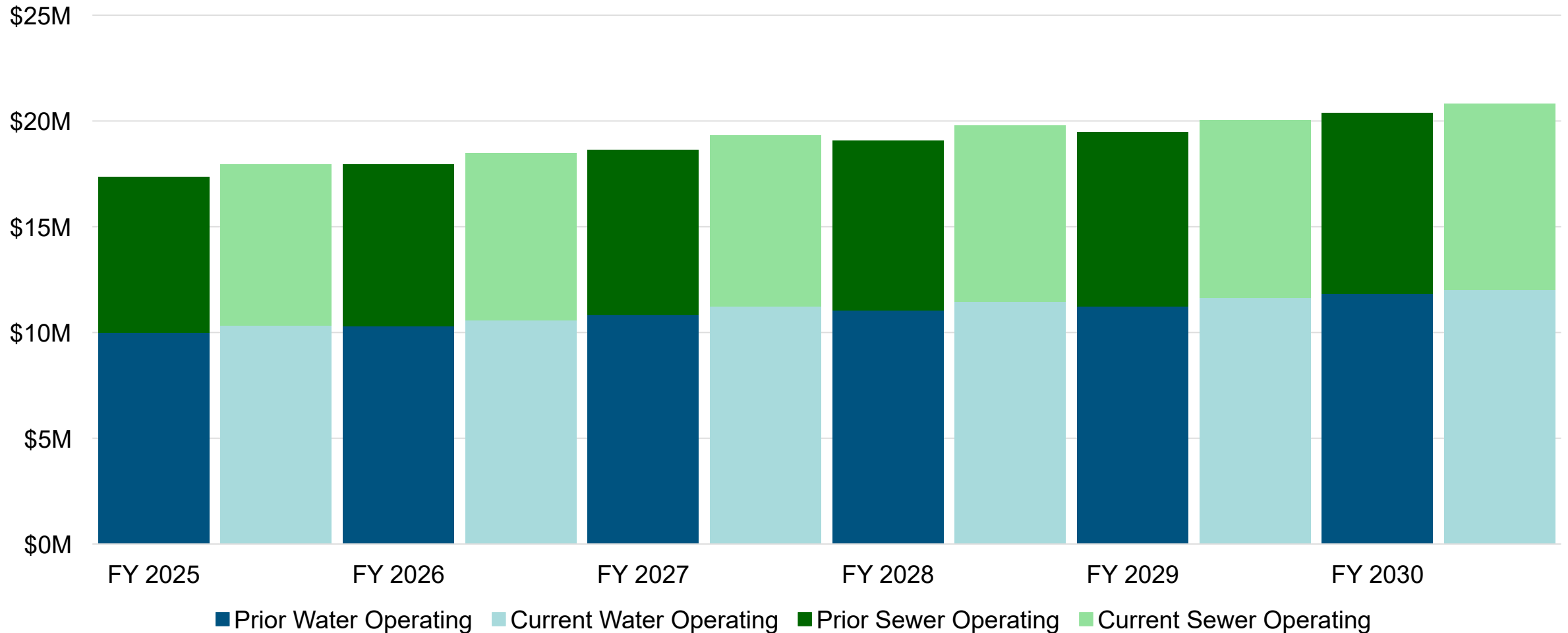
## Facility Fees

How to recover **capacity costs** from development



# Operating Costs Stabilizing

## Comparison of FY 2024 and FY 2025 Rate Study Operating Costs





# Examples of Increased Operational Costs

## Chemicals

- Since 2022, has increased by 44.4%
- Hypo Unit Cost per Gallon increased 164.6% since 2020
- Caustic Soda cost per pound increased 90.0% since 2020

## Electricity

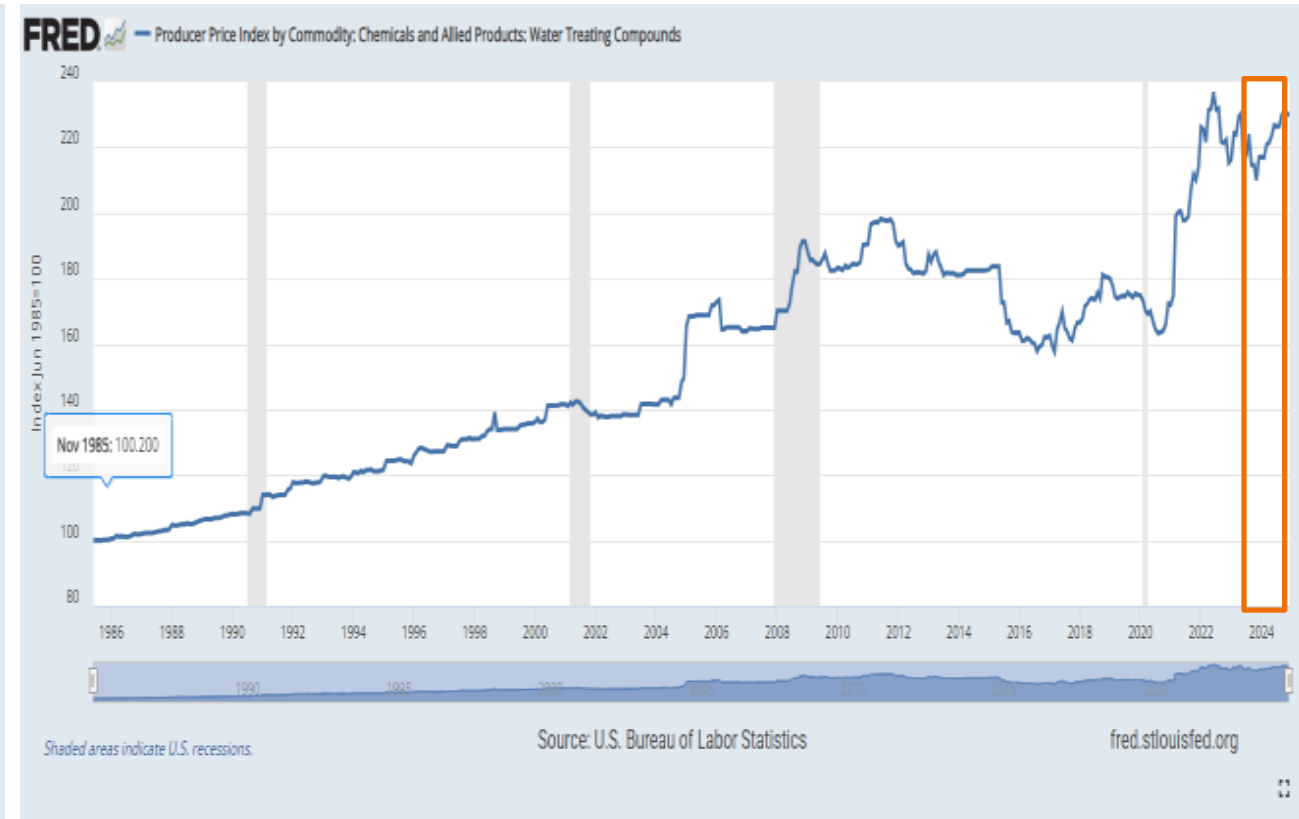
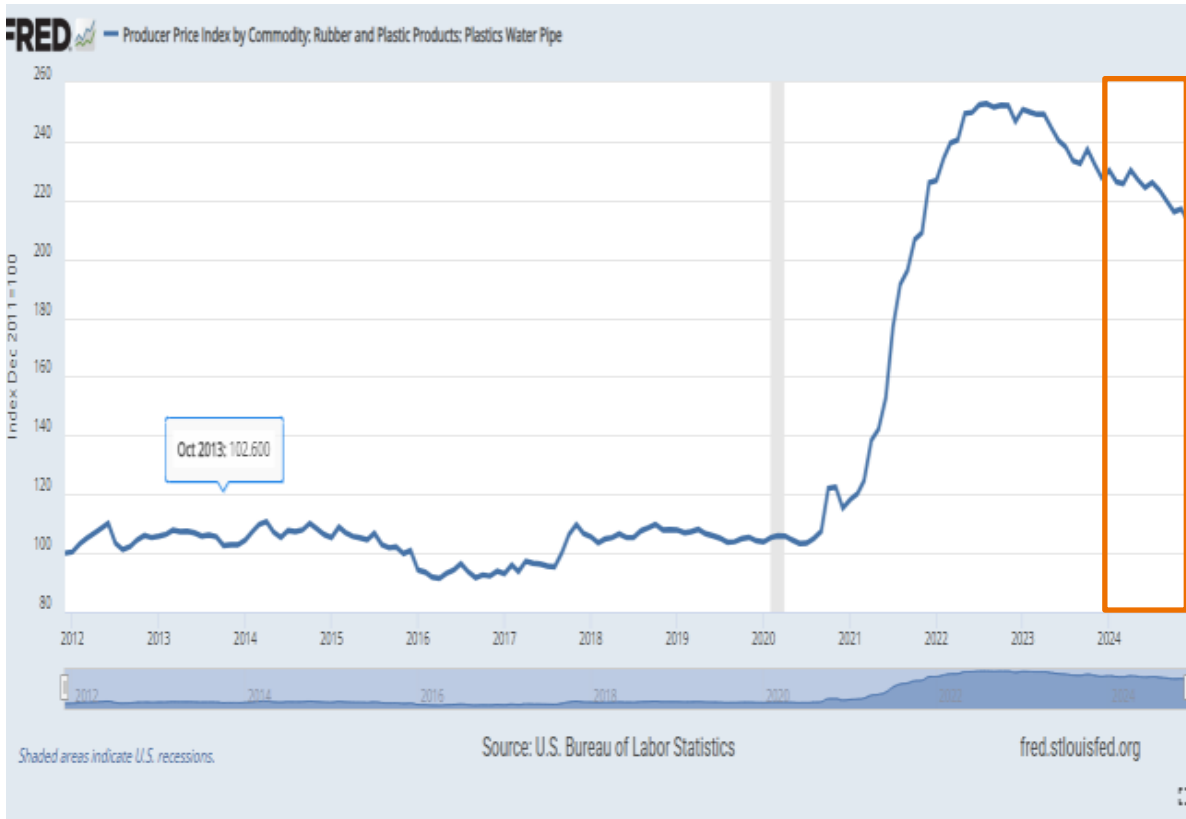
- Annual Water/Sewer Facility Expense
- 2024 increased 14.9% over 2023

## Personnel

- Per ACFR:
  - 2023 increased 14.6% over 2022
  - 2024 increased 12.1% over 2023



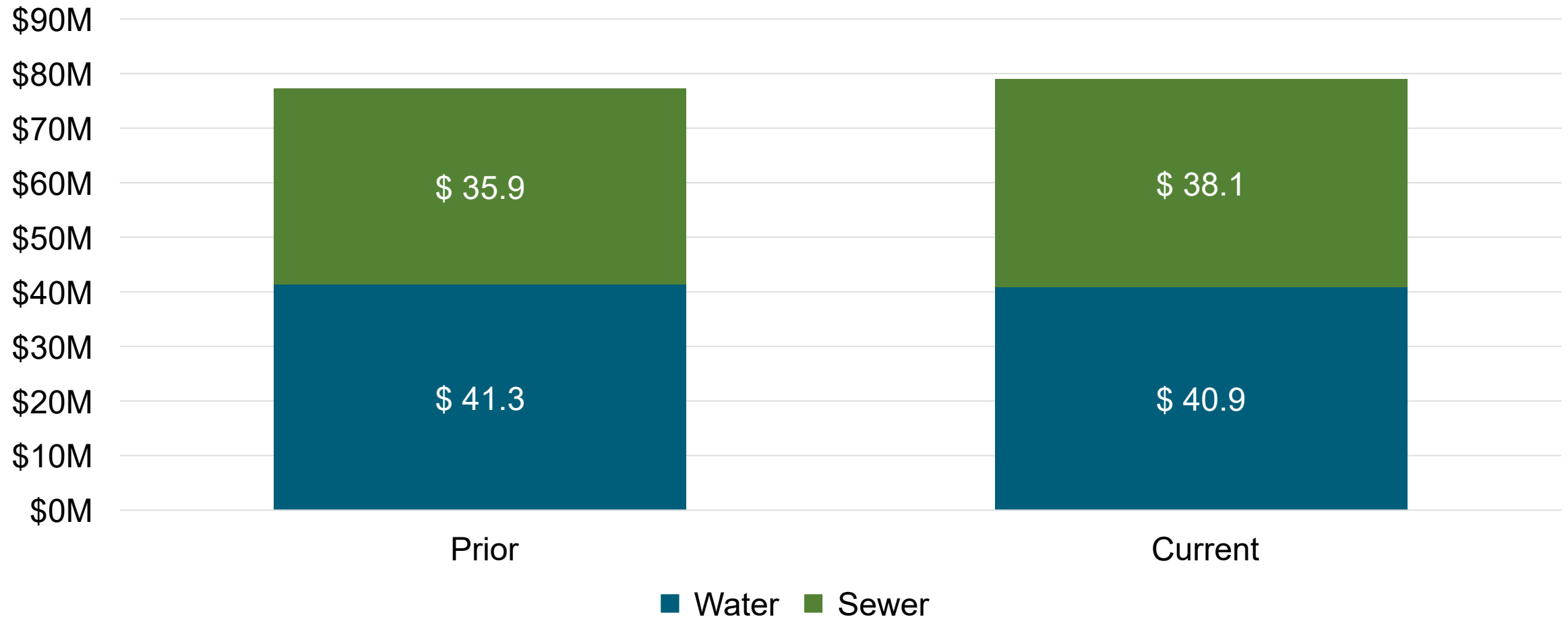
# Operations/Material Cost Inflation





# Capital Improvement Costs Still Major Driver

Current vs 10-Year CIP from FY 2024 Study





# JCSA Examples of Increased Capital Costs

## Cost Increases

- 2024 Five Forks Water Plant bid is 1.75X the 2021 estimate
- Liberty Ridge Water Main 2024 bid is 1.5X higher than the 2024 estimate
- Since 2020, PVC 8"x 20' increased 219% and 14' Push Joint sections increased 216%

## Vehicle Challenges

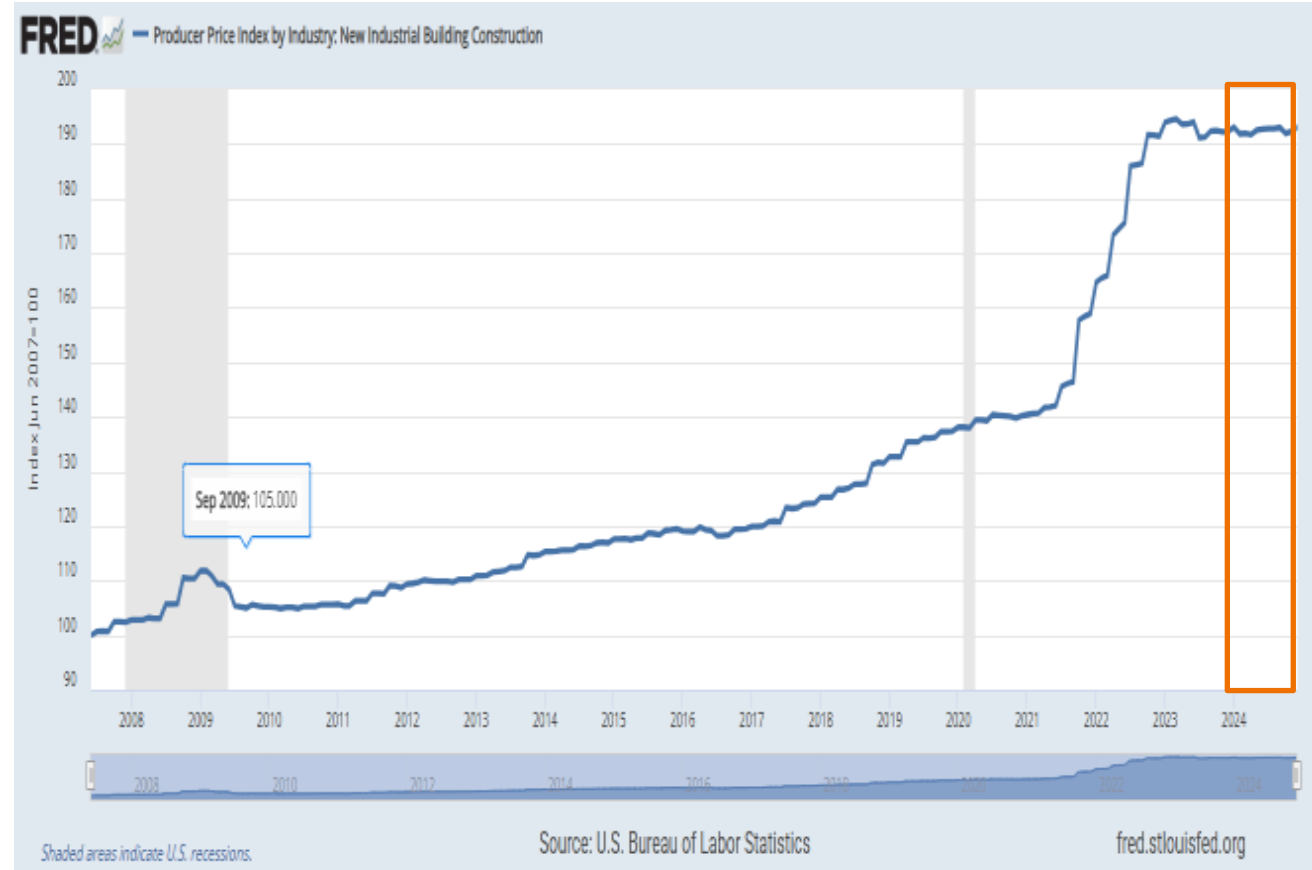
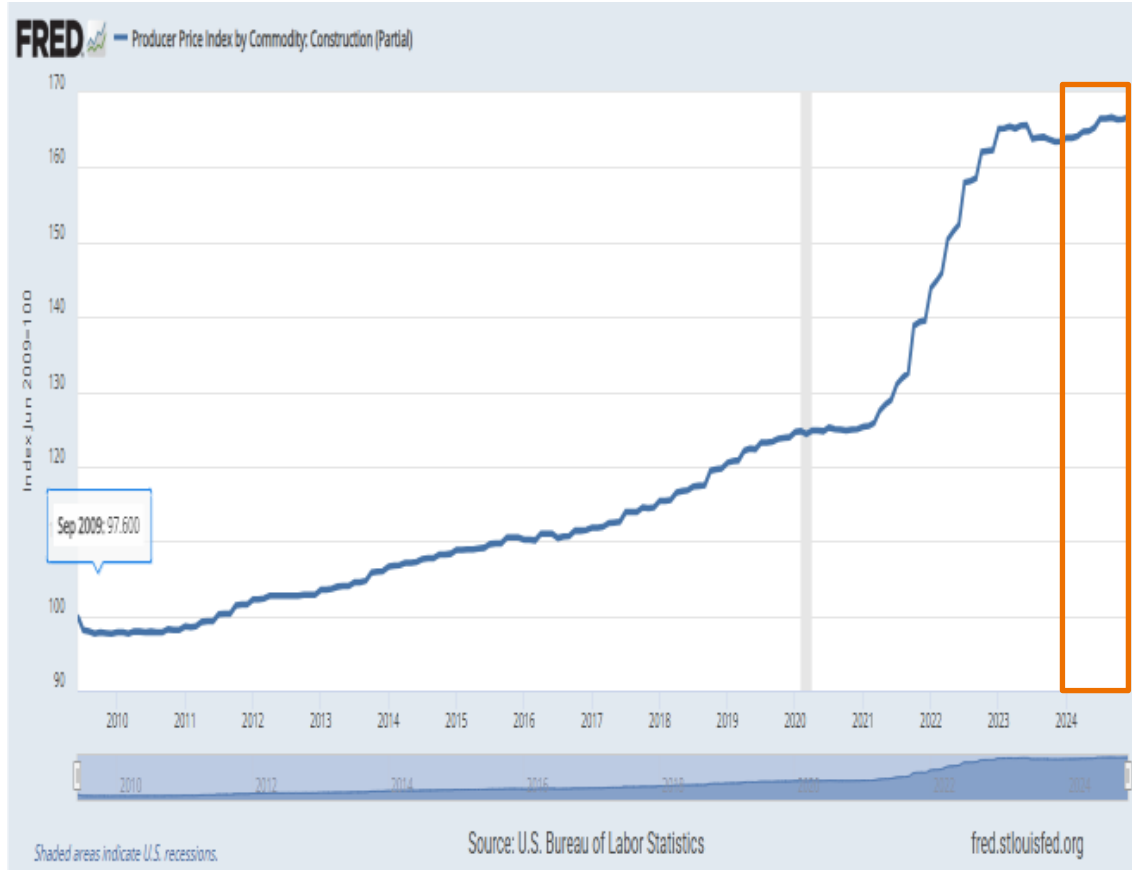
- Truck out of service in 2023; PO's were created in October 2023
- Trucks were delivered in October of 2024

## Reduced Bidding

- Five Forks Water Plant Addition & College Creek Waterline Replacement received one bid
- LS 1-9 Replacement received no bids



# Construction Cost Inflation





# Key Model Inputs & Assumptions - Water

| Assumption              | Details                                                                                                                                                                                                  |
|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Growth                  | 380 new annual accounts $\approx$ 1.2%                                                                                                                                                                   |
| Reserve Targets         | At a minimum, unrestricted cash and liquid investment reserves will be maintained at the average of the last three fiscal years' operating and maintenance expenses less depreciation plus debt service. |
| Debt Service Coverage   | Target: 1.5x<br>Minimum: 1.20x                                                                                                                                                                           |
| Base Operating Budget   | FY 2025 Revised Budget                                                                                                                                                                                   |
| Cost Escalation Factors | Applied to FY26 Budget and on<br>Ex. Salaries = Annual Cost of Living Increases, Utilities= 4.0%                                                                                                         |
| CIP Escalation          | 3% Compounding Escalation beginning in FY 2027                                                                                                                                                           |
| Funding Sources         | System & Local Facility Fees, Cash                                                                                                                                                                       |



# Water System Updated Rate Plan

|                          | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 |
|--------------------------|---------|---------|---------|---------|---------|---------|
| Variable Rate Plan* (\$) | \$4.20  | \$4.45  | \$4.72  | \$4.86  | \$5.01  | \$5.16  |
| Variable Rate Plan (%)   |         | 6.00%   | 6.00%   | 3.00%   | 3.00%   | 3.00%   |
| Fixed Rate Plan (\$)     | \$7.52  | \$9.02  | \$10.52 | \$12.02 | \$12.38 | \$12.75 |
| Fixed Rate Plan (%)      |         | 19.95%  | 16.63%  | 14.26%  | 3.00%   | 3.00%   |
| % Rev from Fixed Charge  | 19.64%  | 21.96%  | 23.95%  | 26.17%  | 26.45%  | 26.73%  |

\*Represents Residential Tier 1 Rates

**Fixed rate plan increases the Fixed Charge by \$1.50 from FY 2026 – FY 2028**  
**Larger increases to Fixed Rate Plan improves revenue stability**

# Water System Forecast

- Utility still experiencing impacts of increased costs, but appear to be stabilizing
- Higher short-term increases needed to increase fixed revenue recovery and meet targets
- Timing of capital spending will affect actual operating fund reserve balances

|                            | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 | FY 2032 | FY 2033 | FY 2034 | FY 2035 |
|----------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Variable Charges Rate Plan | 5.50%   | 6.00%   | 6.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   |
| Last Plan                  | 5.50%   | 6.00%   | 6.50%   | 6.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 0.00%   |
| Fixed Charges Rate Plan    | 24.90%  | 19.95%  | 16.63%  | 14.26%  | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   |
| Last Plan                  | 24.90%  | 19.90%  | 16.60%  | 6.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 0.00%   |



*Last Plan (Green) shows results of FY 2024 study*



# Key Model Inputs & Assumptions - Sewer

| Assumption              | Details                                                                                                                                                                                                  |
|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Growth                  | 394 new annual accounts $\approx$ 1.4%                                                                                                                                                                   |
| Reserve Targets         | At a minimum, unrestricted cash and liquid investment reserves will be maintained at the average of the last three fiscal years' operating and maintenance expenses less depreciation plus debt service. |
| Debt Service Coverage   | Target: 1.5x<br>Minimum: 1.20x                                                                                                                                                                           |
| Base Operating Budget   | FY 2025 Revised Budget                                                                                                                                                                                   |
| Cost Escalation Factors | Applied to FY26 Budget and on<br>Ex. Ex. Salaries = Annual Cost of Living Increases, Utilities= 4.0%                                                                                                     |
| CIP Escalation          | 3% Compounding Escalation beginning in FY 2027                                                                                                                                                           |
| Funding Sources         | System & Local Facility Fees, Cash                                                                                                                                                                       |



# Sewer System Updated Rate Plan

|                         | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 |
|-------------------------|---------|---------|---------|---------|---------|---------|
| Variable Rate Plan (\$) | \$3.14  | \$3.14  | \$3.14  | \$3.30  | \$3.66  | \$4.03  |
| Variable Rate Plan (%)  |         | 0.00%   | 0.00%   | 5.00%   | 11.00%  | 10.00%  |
| Fixed Rate Plan (\$)    | \$3.01  | \$4.51  | \$6.01  | \$7.51  | \$9.01  | \$10.51 |
| Fixed Rate Plan (%)     |         | 49.83%  | 33.26%  | 24.96%  | 19.97%  | 16.65%  |
| % Rev from Fixed Charge | 16.56%  | 23.15%  | 28.79%  | 32.77%  | 34.91%  | 36.65%  |

**Fixed rate plan increases the Fixed Charge by \$1.50 in FY 2026 – FY 2030**

**Larger increases to Fixed Rate Plan improves revenue stability**

# Sewer System Results

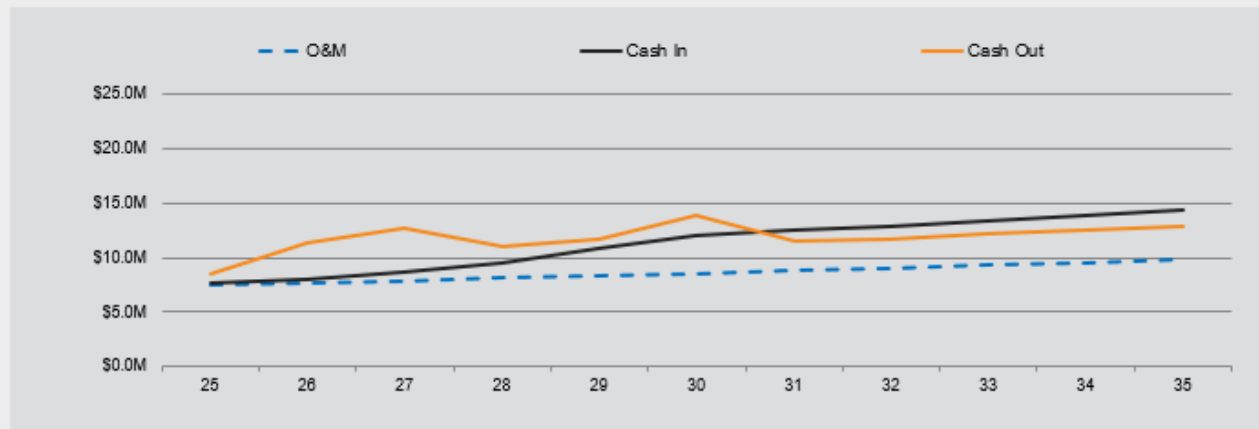
- Utility still experiencing impacts of increased costs
- Higher short-term increases needed to increase fixed revenue recovery and meet targets
- Timing of capital spending will affect actual operating fund reserve balances

|                            | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 | FY 2032 | FY 2033 | FY 2034 | FY 2035 |
|----------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Variable Charges Rate Plan | 0.00%   | 0.00%   | 0.00%   | 5.00%   | 11.00%  | 10.00%  | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   |
| Last Plan                  | 1.00%   | 2.00%   | 4.00%   | 8.00%   | 8.00%   | 8.00%   | 8.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   |
| Fixed Charges Rate Plan    | 0.00%   | 49.83%  | 33.26%  | 24.96%  | 19.97%  | 16.65%  | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   |
| Last Plan                  | 50.00%  | 33.33%  | 20.00%  | 8.00%   | 8.00%   | 8.00%   | 8.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   |

Operating Fund



Revenues vs. Expenses



*Last Plan (Green) shows results of FY 2024 study*



# Summary

|                                   | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 |
|-----------------------------------|---------|---------|---------|---------|---------|---------|
| <b>Water</b>                      |         |         |         |         |         |         |
| <b>Average Single-Family Bill</b> | \$31.94 | \$34.90 | \$37.96 | \$40.28 | \$41.50 | \$42.74 |
| <b>Change (\$)</b>                | \$2.78  | \$2.96  | \$3.06  | \$2.32  | \$1.22  | \$1.24  |
| <b>Change (%)</b>                 | 9.5%    | 9.3%    | 8.8%    | 6.1%    | 3.0%    | 3.0%    |
| <b>Sewer</b>                      |         |         |         |         |         |         |
| <b>Average Single-Family Bill</b> | \$18.71 | \$20.21 | \$21.71 | \$24.01 | \$27.31 | \$30.66 |
| <b>Change (\$)</b>                | \$1.16  | \$1.50  | \$1.50  | \$2.30  | \$3.30  | \$3.35  |
| <b>Change (%)</b>                 | 6.6%    | 8.0%    | 7.4%    | 10.6%   | 13.7%   | 12.3%   |
| <b>Combined</b>                   |         |         |         |         |         |         |
| <b>Average Single-Family Bill</b> | \$50.65 | \$55.11 | \$59.67 | \$64.29 | \$68.81 | \$73.40 |
| <b>Change (\$)</b>                | \$3.94  | \$4.46  | \$4.56  | \$4.62  | \$4.52  | \$4.59  |
| <b>Change (%)</b>                 | 8.4%    | 8.8%    | 8.3%    | 7.7%    | 7.0%    | 6.7%    |

# Expense of Potable Water

Comparing the cost of filling an average size swimming pool (10,000 gallons) with JCSA potable water against many other commodities in the marketplace

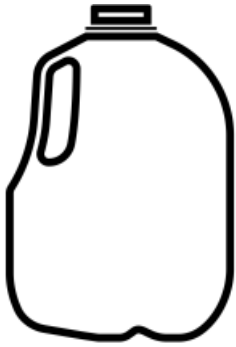
- \$85 to fill with JCSA Water
- \$10,000 to fill with Zephyrhills bottled water from the grocery store
- \$23,700 to fill with Coca-Cola or Pepsi from a 2L bottle
- \$30,000 to fill with milk
- \$40,000 to fill with gasoline
- \$100,000 to fill with bottled beer
- \$320,000 to fill with Starbucks coffee
- \$2,200 with topsoil from Home Depot in 40-pound bags



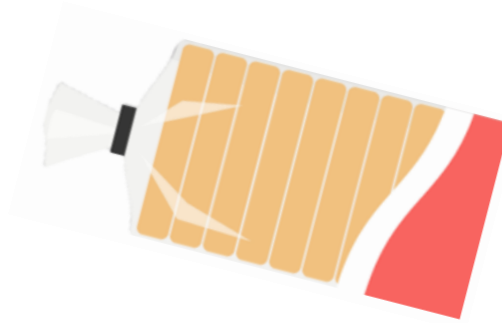
**JCSA Potable Water is in fact cheaper than dirt**



# 1,000 gallons = \$4.20 ... or ...



1 gallon of milk = \$3.98



1 loaf of bread = \$2.75



1 slice of pizza = \$3.50



Starbucks coffee = \$5.25



Box of cereal = \$ 3.25



# Local Residential Water Bill Comparison

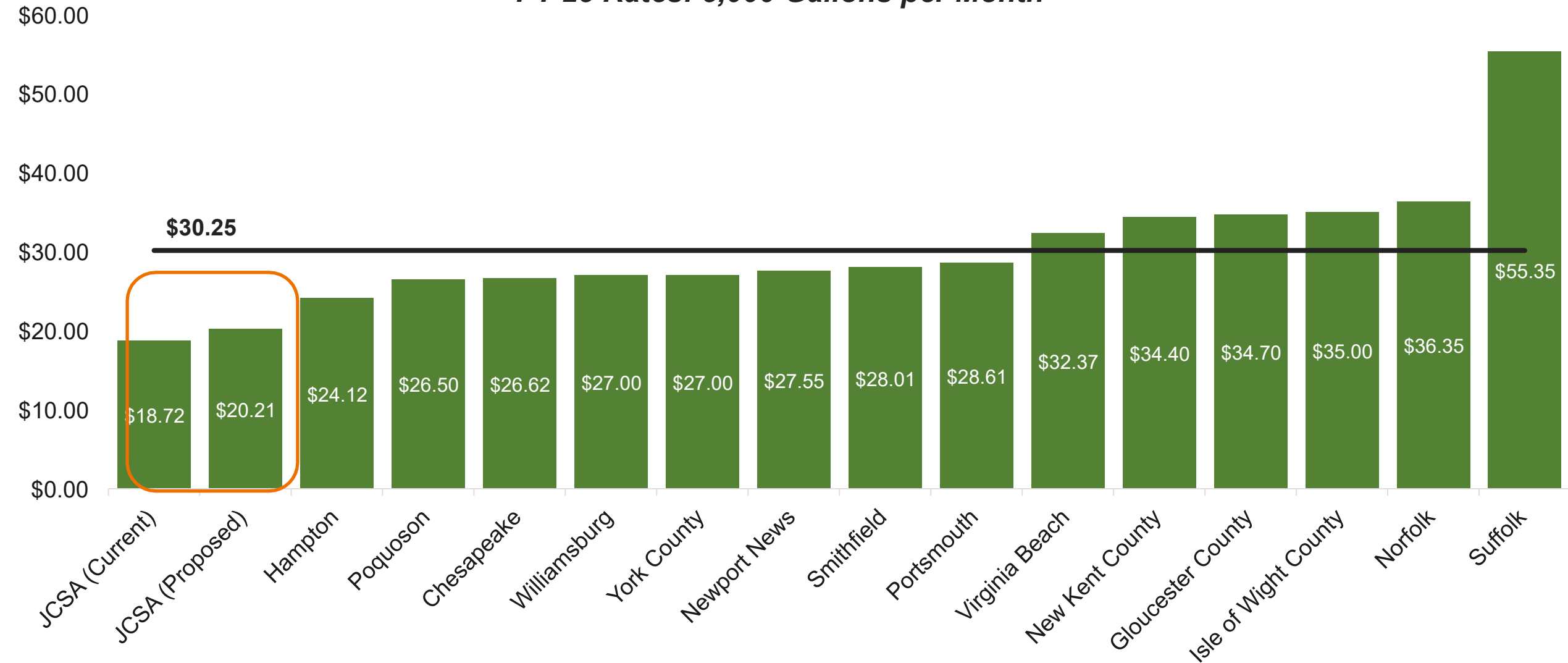
*FY 25 Rates: 5,000 Gallons per Month*





# Local Residential Sewer Bill Comparison

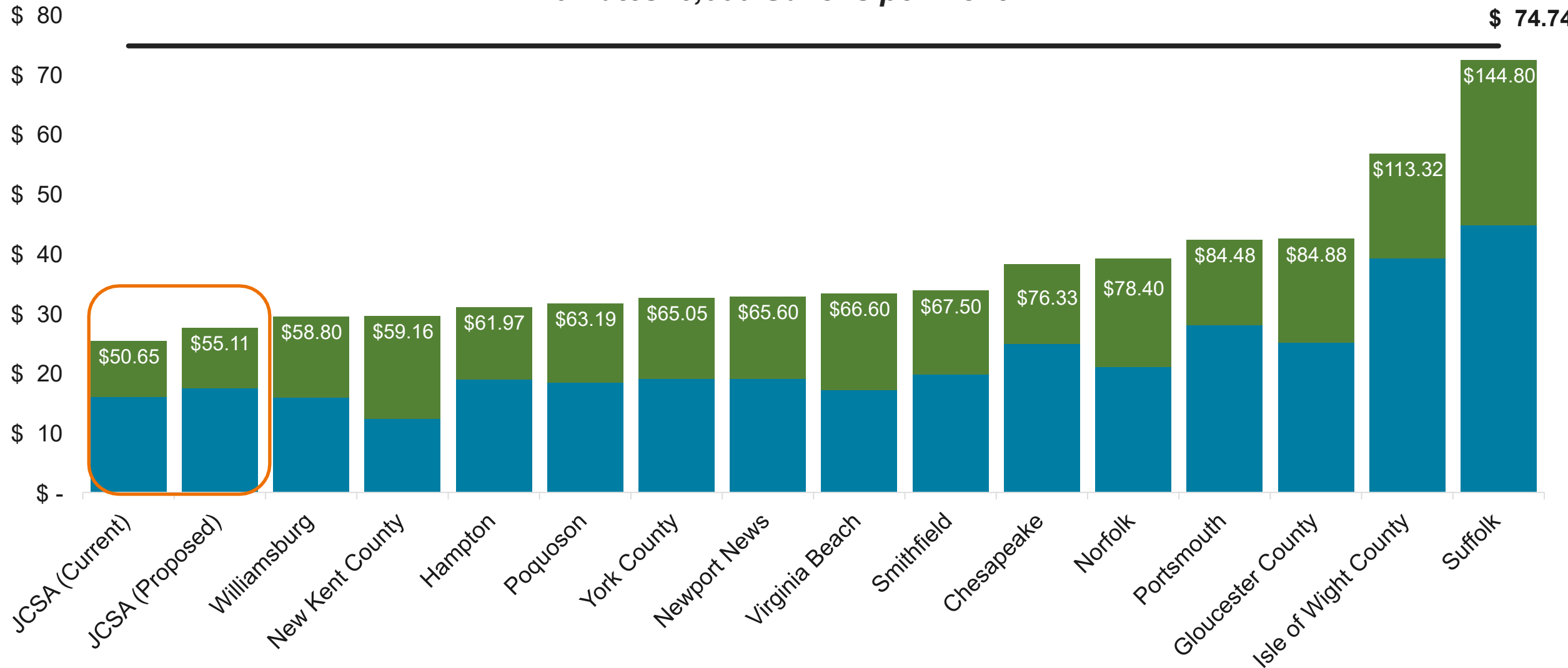
*FY 25 Rates: 5,000 Gallons per Month*



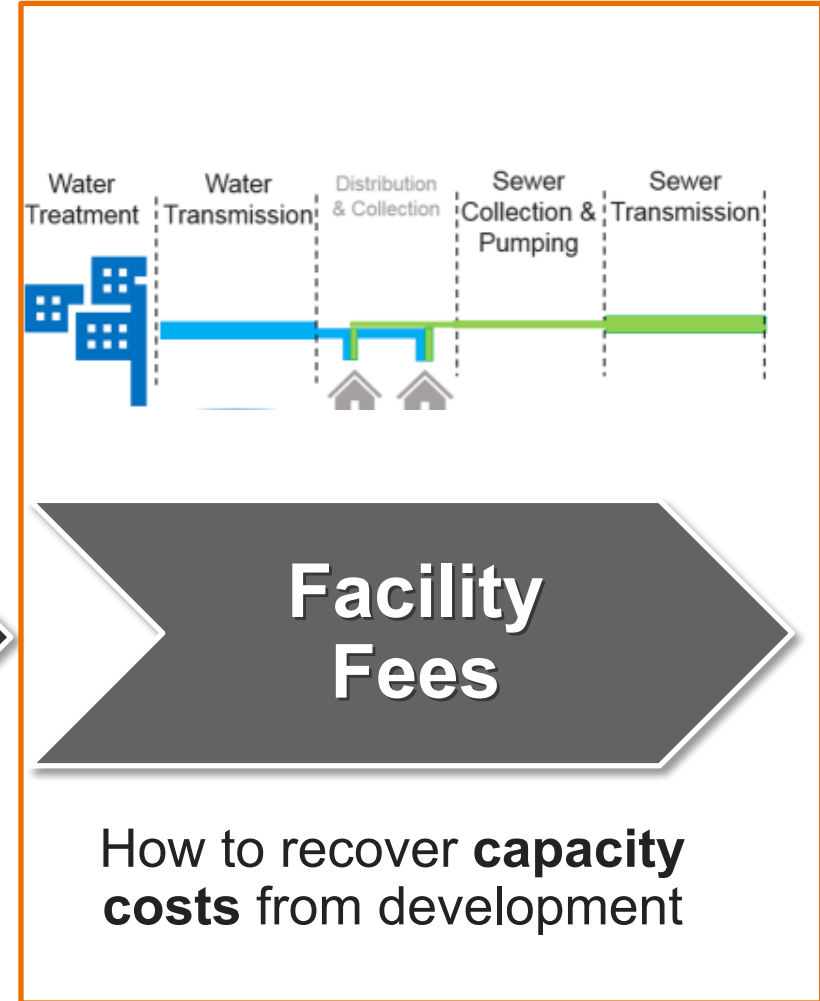
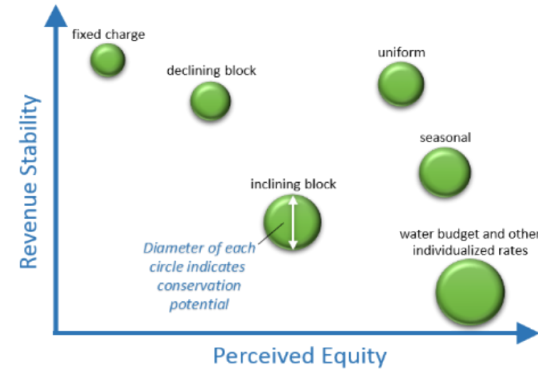
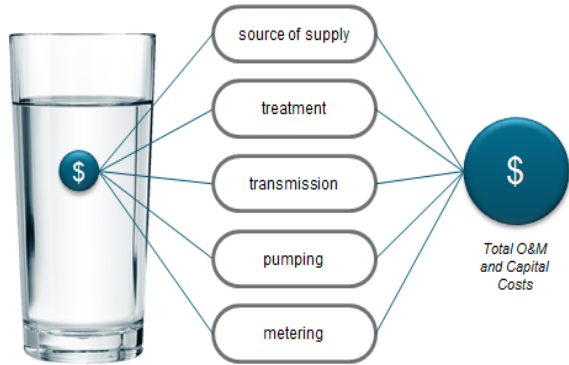


# Local Residential Water & Sewer Bill Comparison

*FY 25 Rates: 5,000 Gallons per Month*



# Elements of the Utility Rate Study Process



## Revenue Sufficiency

How much total revenue is needed each year

## Rate Structure

How to collect revenue from each customer class

## Facility Fees

How to recover **capacity costs** from development



# System Facility Fees

## Overview & Observations

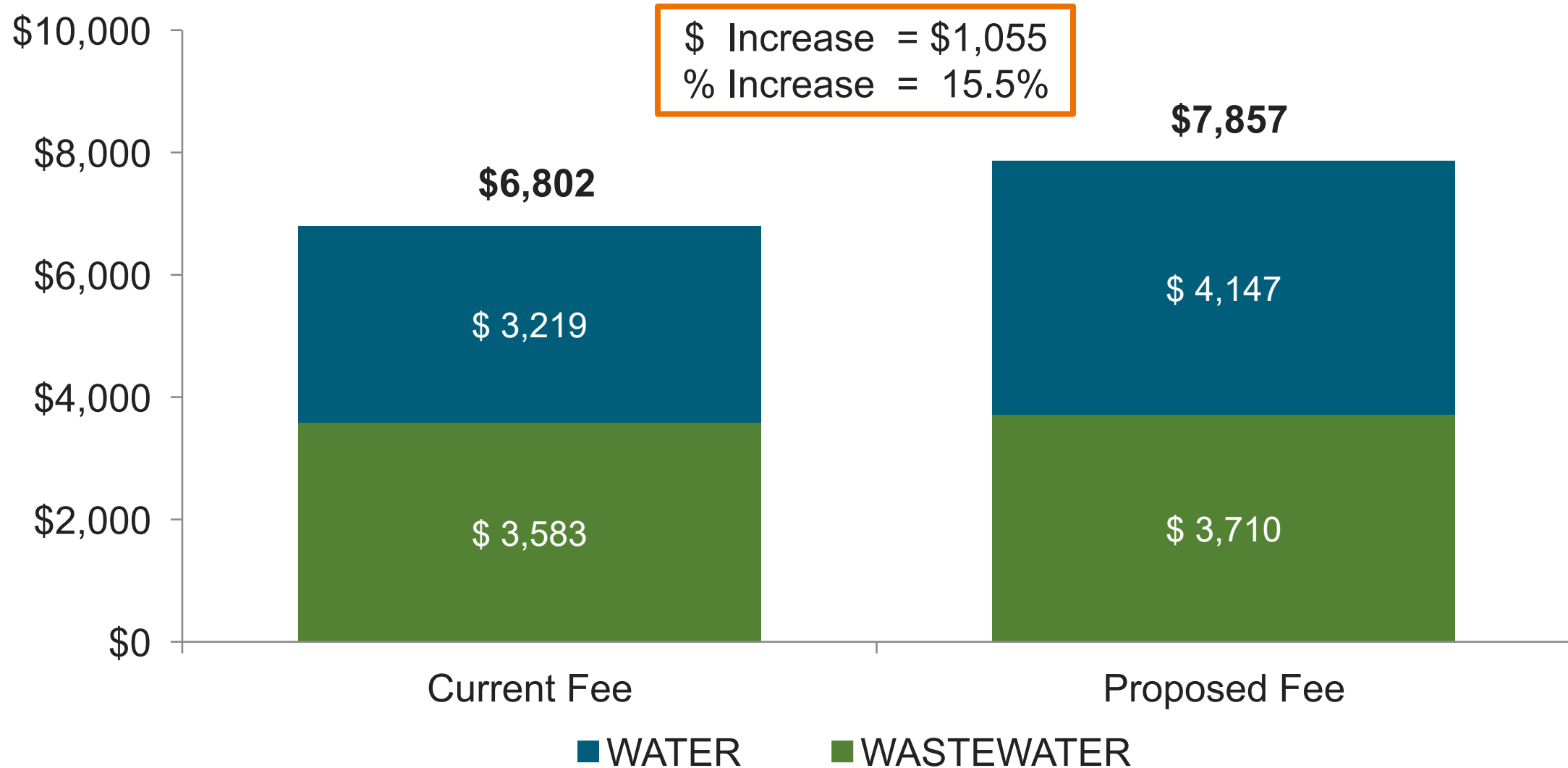
- System facility fees are levied against new growth to defray the cost of system expansion and have “growth pay for growth”
- The Authority currently assesses the system facility charge based on the meter size serving the connection
- Current Fees have not increased since 2020

## Recommendations

- Update the fees to reflect the current cost of infrastructure (existing & planned)

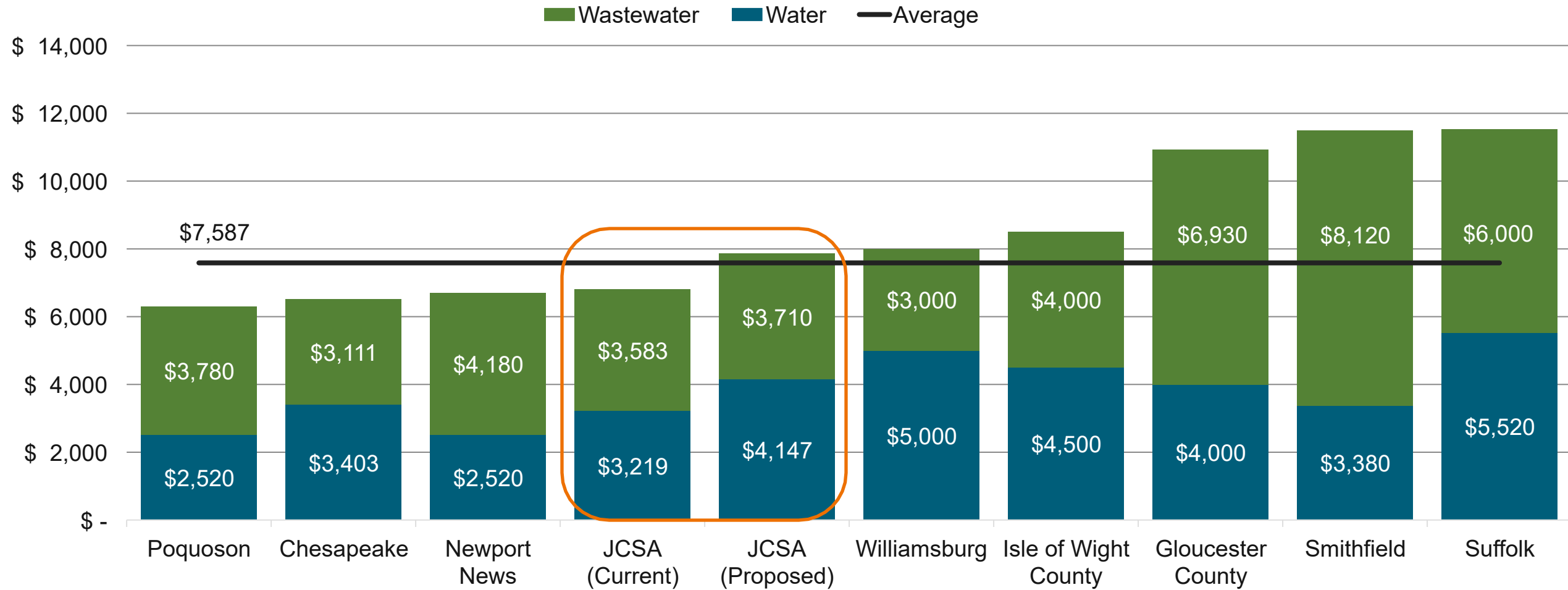


# Facility Fee Results





# Benchmarking





# Summary of Recommendations

- Plan of annual rate increases to maintain fund balances and meet reserve targets
- Targeted increases on fixed charge promotes revenue stability

| Combined Water / Sewer     | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 |
|----------------------------|---------|---------|---------|---------|---------|---------|
| Average Single-Family Bill | \$50.65 | \$55.11 | \$59.67 | \$64.29 | \$68.81 | \$73.40 |
| Change (\$)                |         | \$4.46  | \$4.56  | \$4.62  | \$4.52  | \$4.59  |
| Change (%)                 |         | 8.8%    | 8.3%    | 7.7%    | 7.0%    | 6.7%    |

- Recommend updating system facility fees to reflect current cost

| System Facility Fee | Current | Proposed | Change (\$) | Change (%) |
|---------------------|---------|----------|-------------|------------|
| Water               | \$3,219 | \$4,147  | \$928       | 28.8%      |
| Sewer               | \$3,583 | \$3,710  | \$127       | 3.5%       |
| Combined            | \$6,802 | \$7,857  | \$1,055     | 15.5%      |

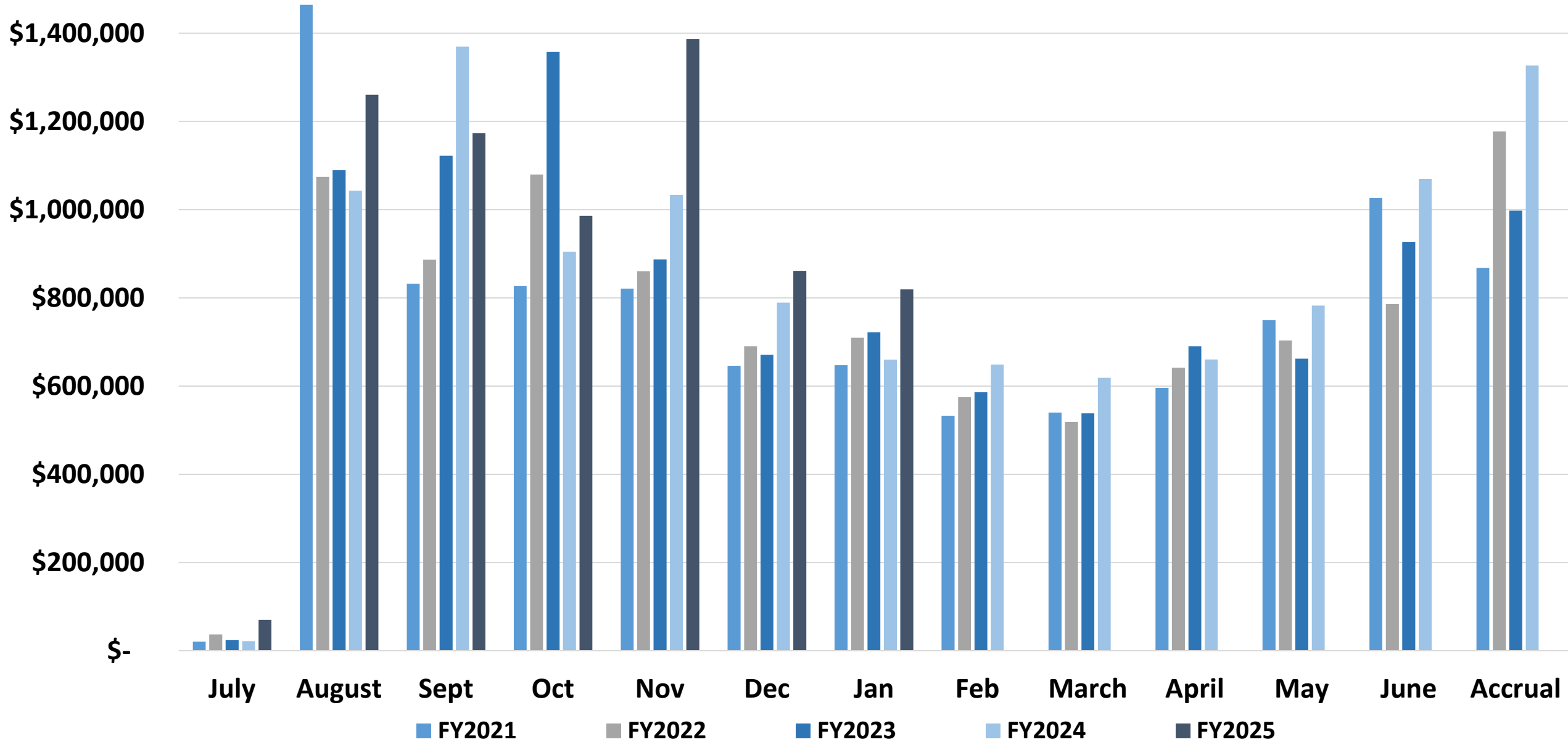


# Questions & Discussion

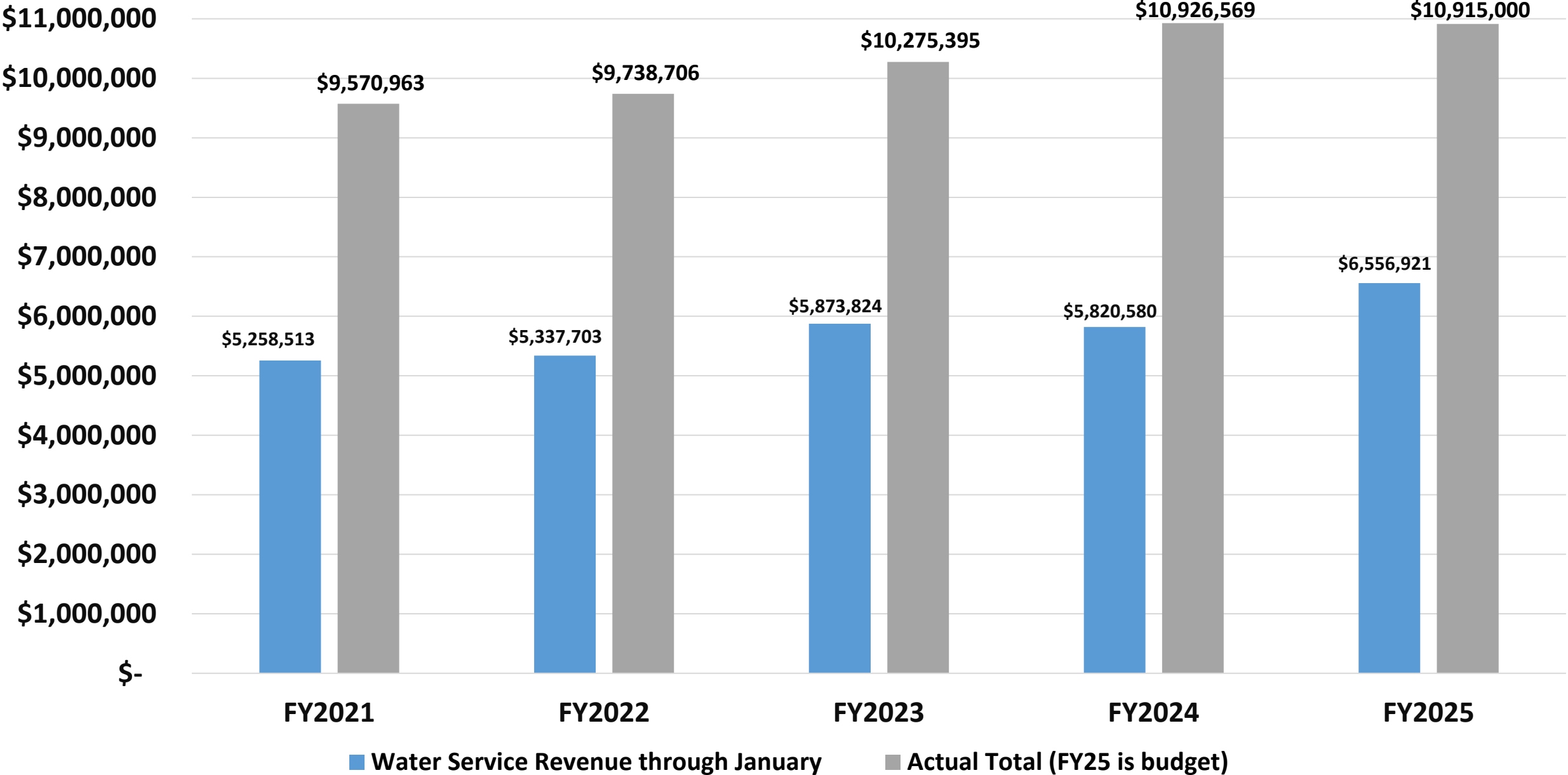


**Andrew Burnham**  
Vice President  
[andrew.burnham@stantec.com](mailto:andrew.burnham@stantec.com)

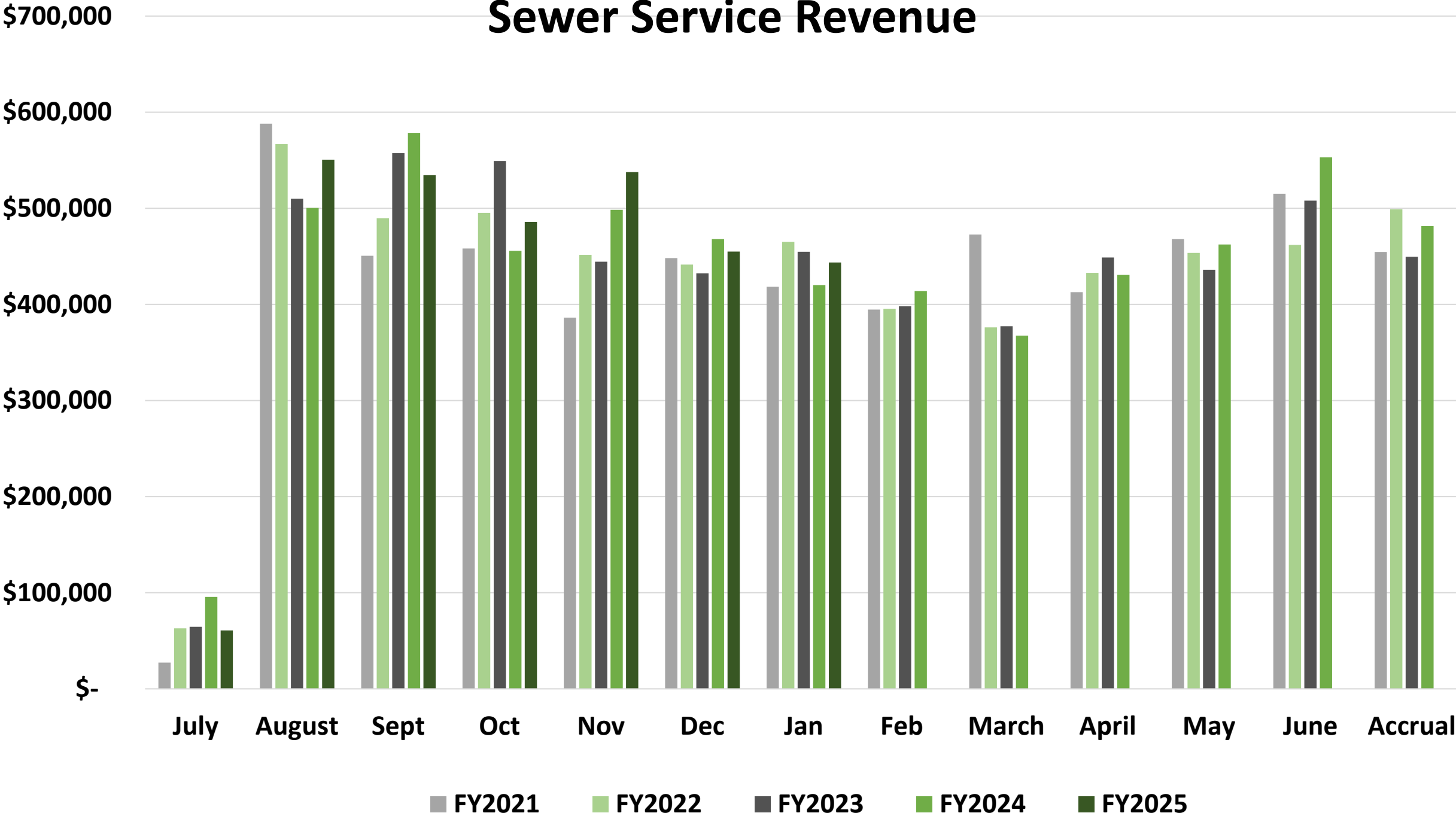
# Water Service Revenue



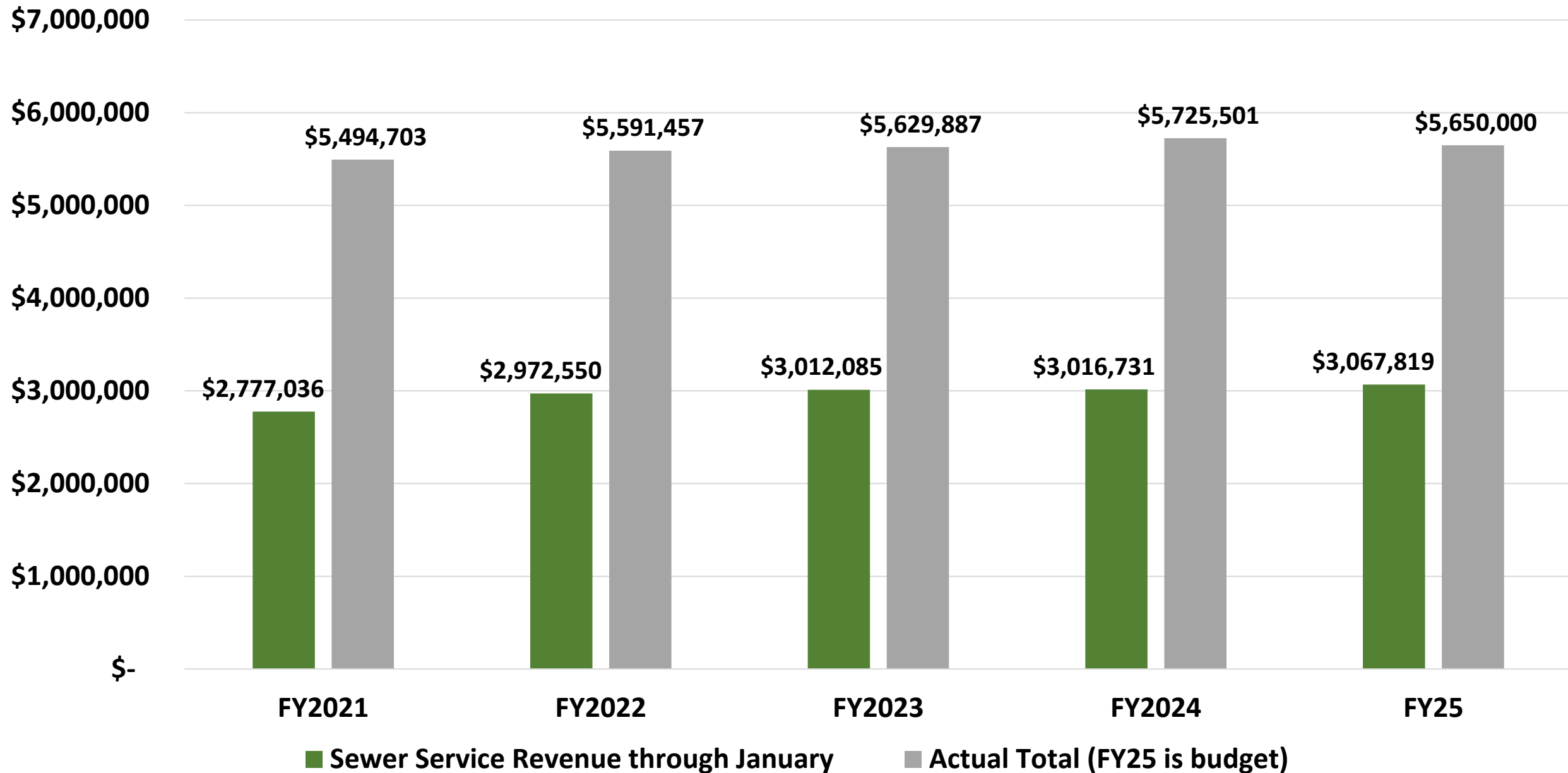
# Water Service Revenue through January



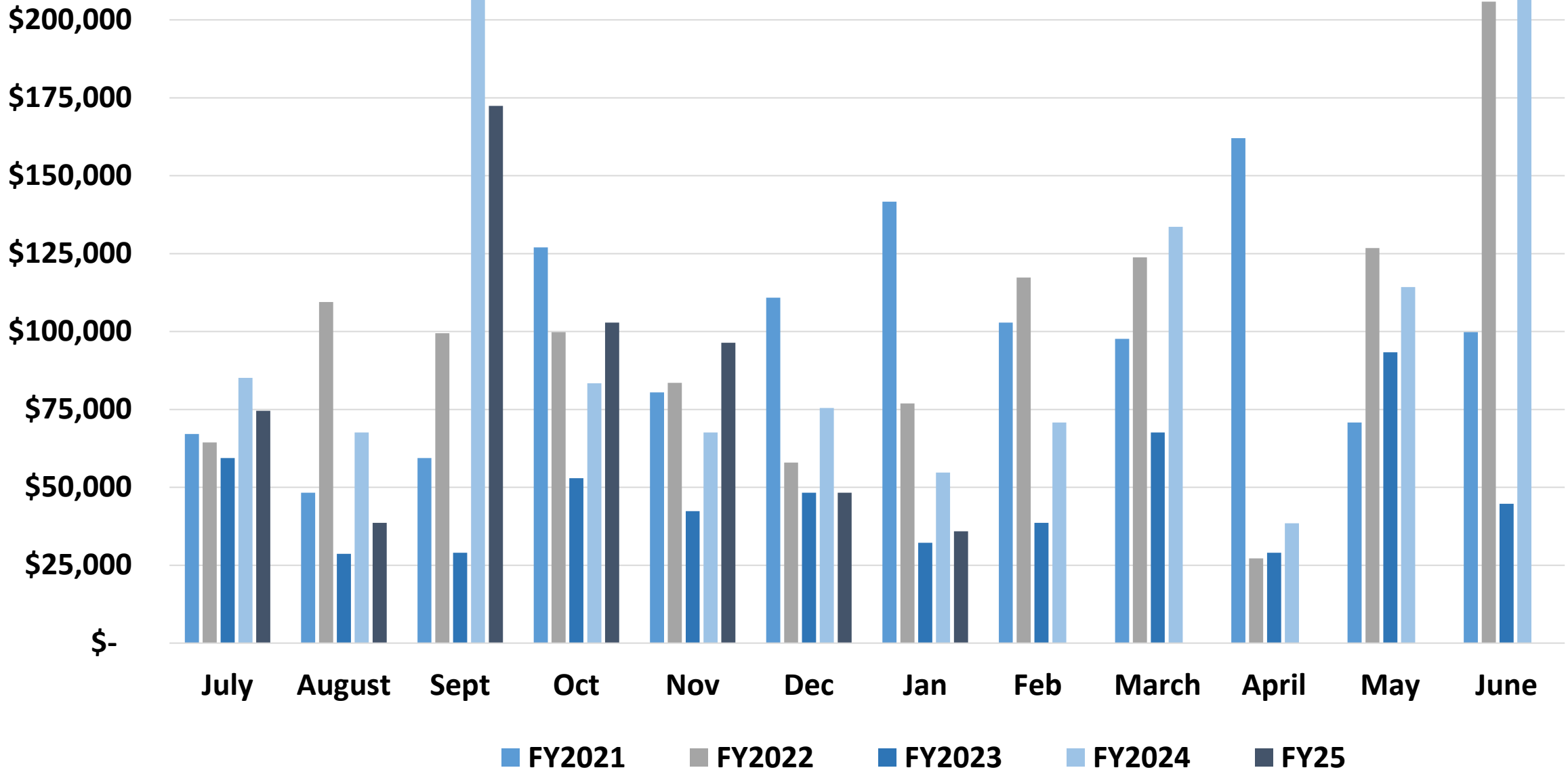
# Sewer Service Revenue



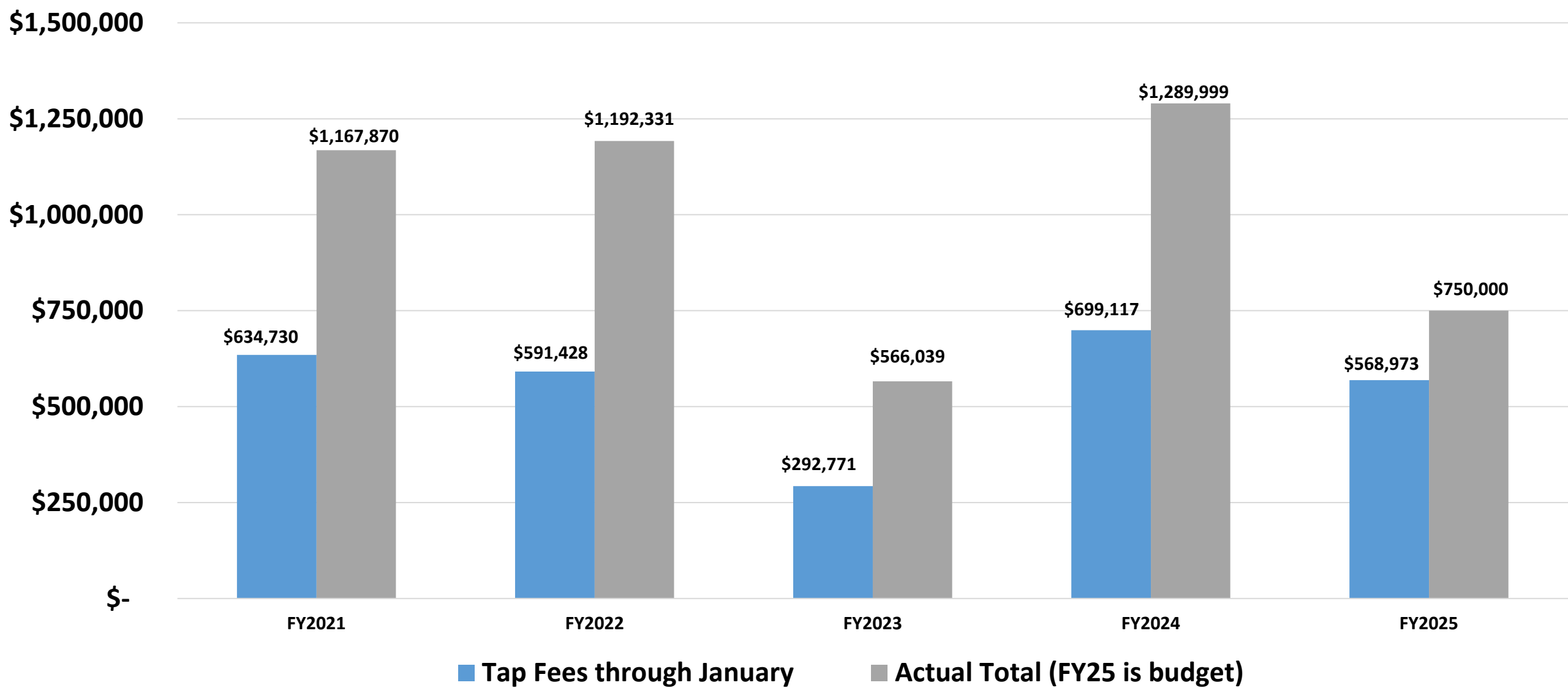
# Sewer Service Revenue through January



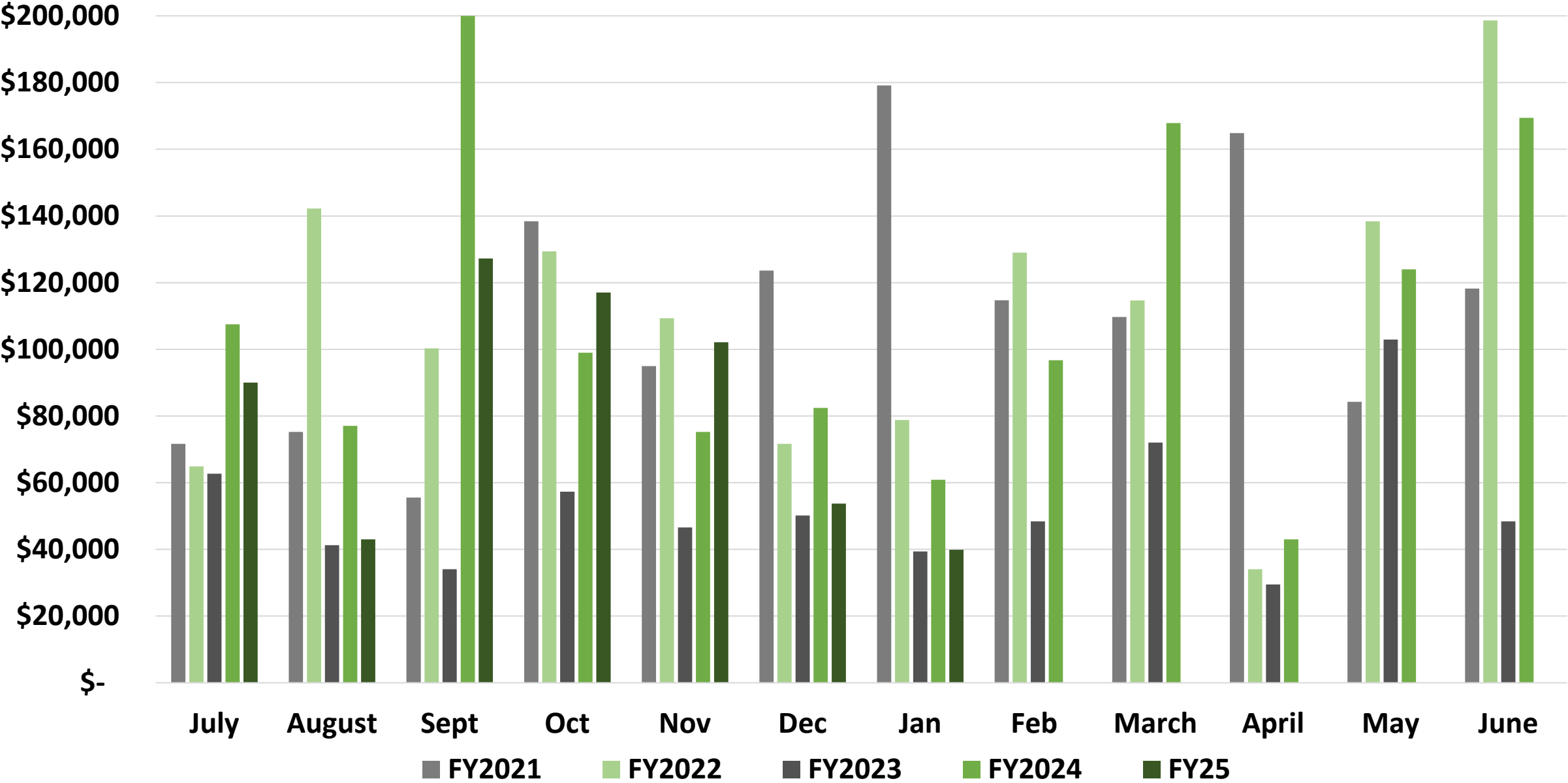
# Water Tap Fees



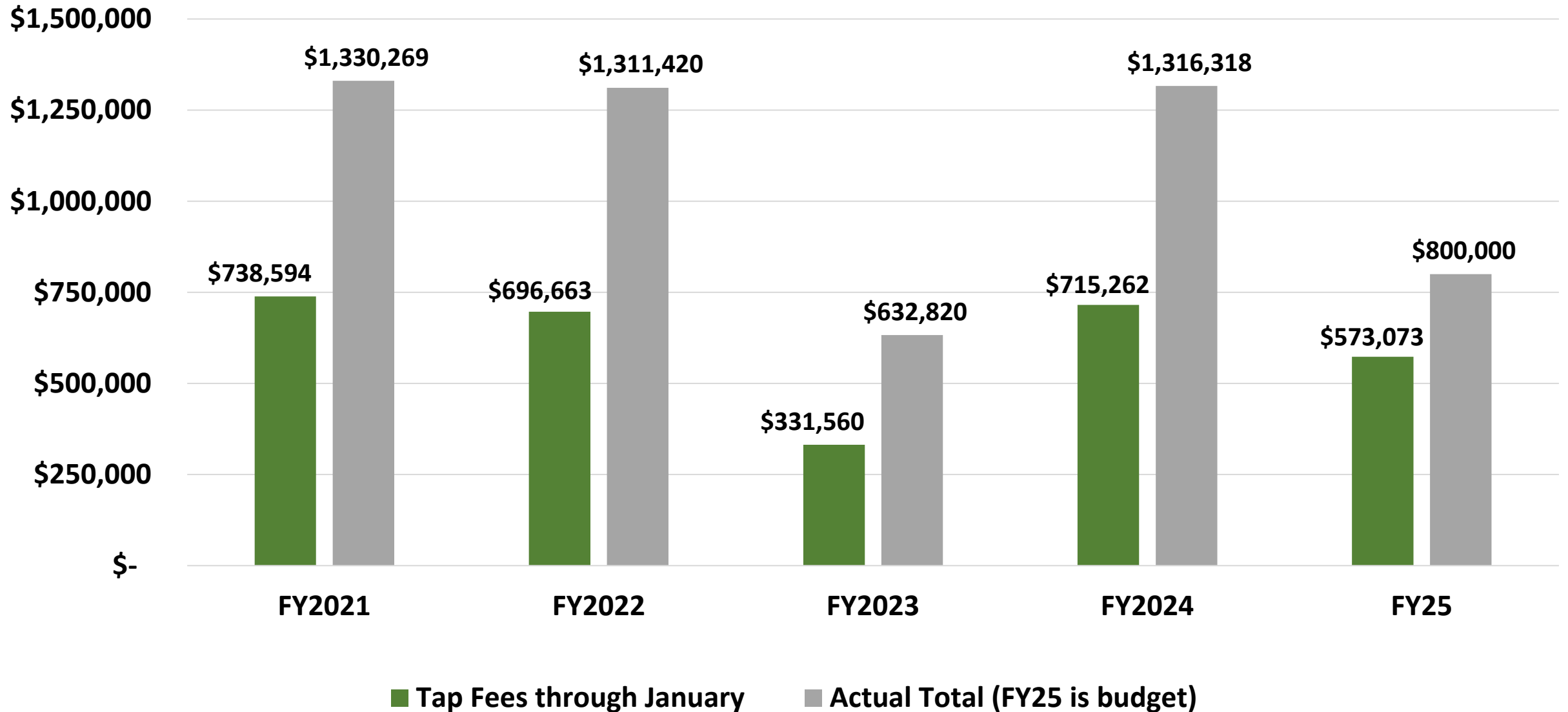
# Water Tap Fees through January



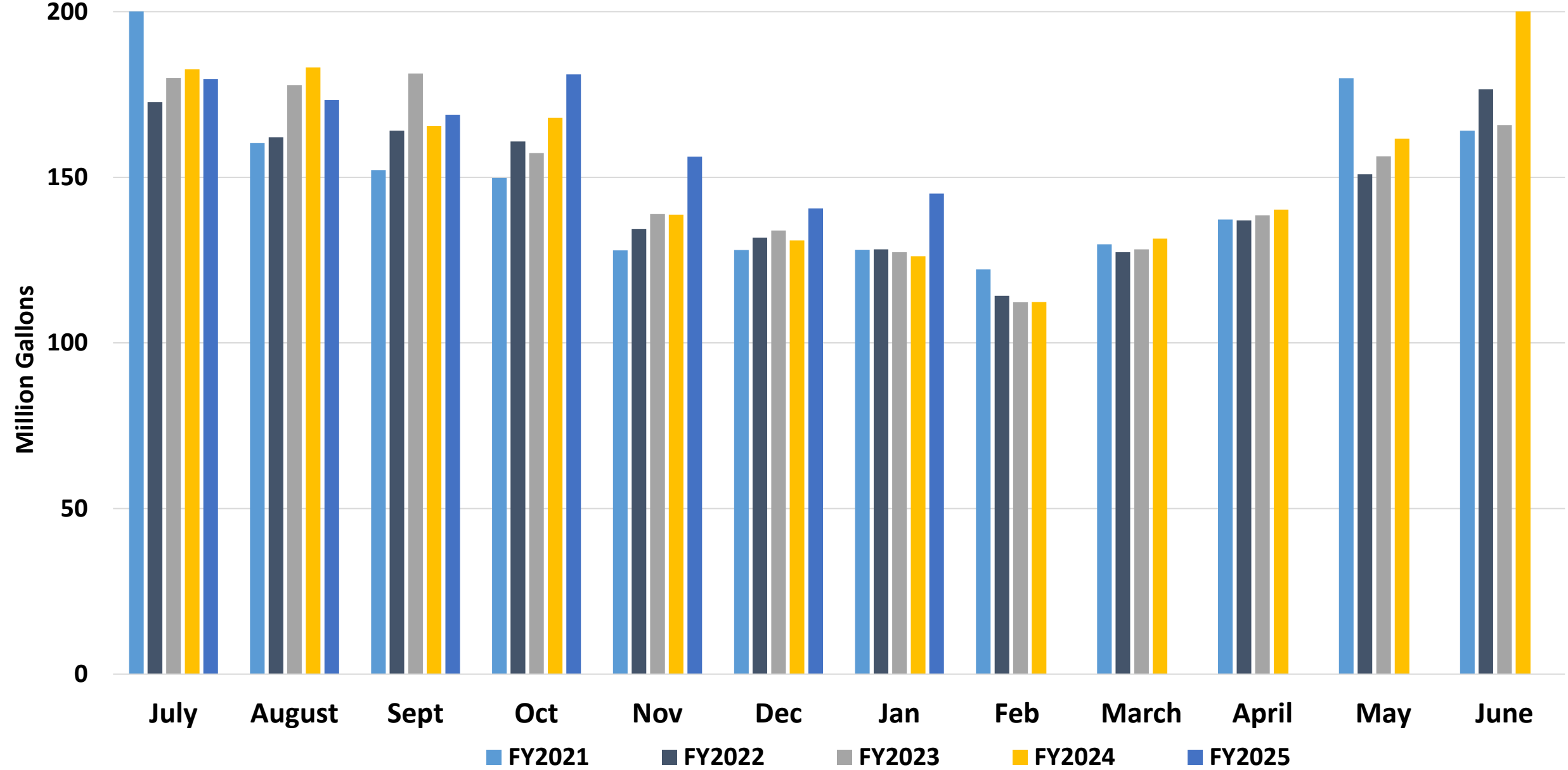
# Sewer Tap Fees



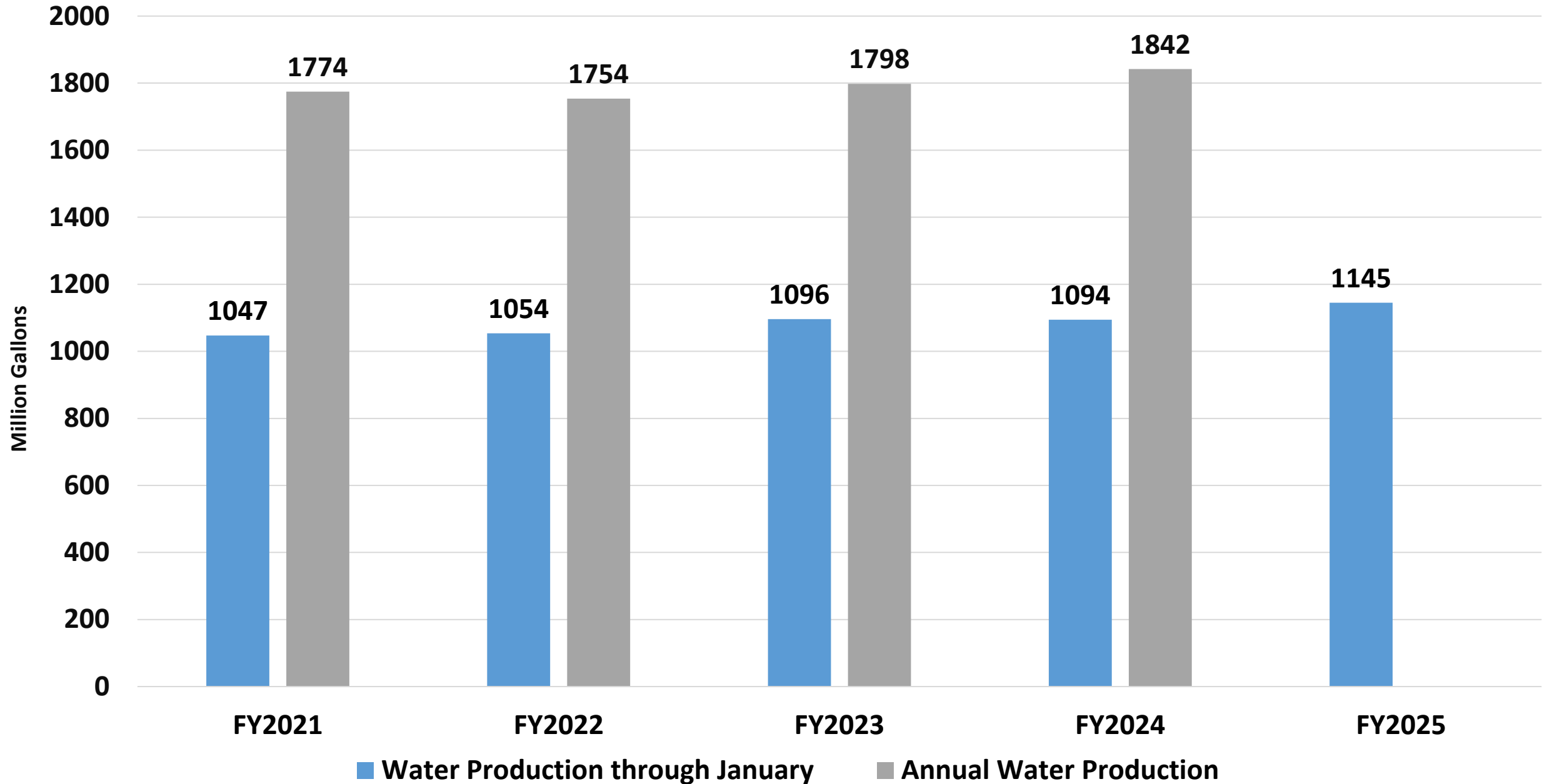
# Sewer Tap Fees through January



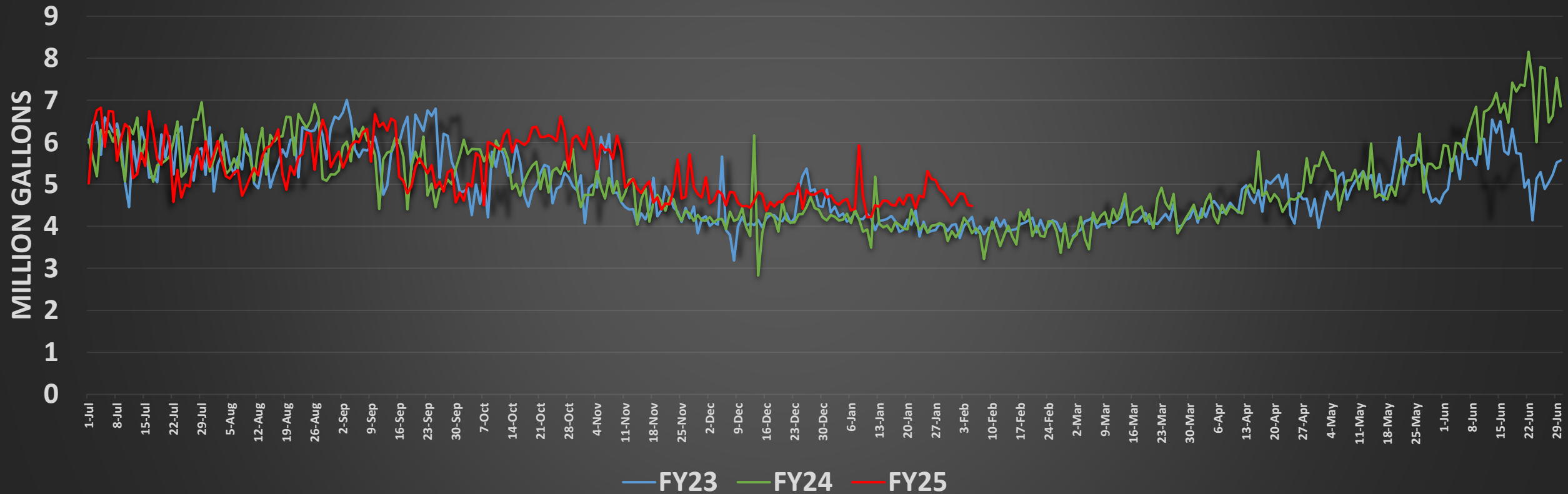
# Monthly Water Production



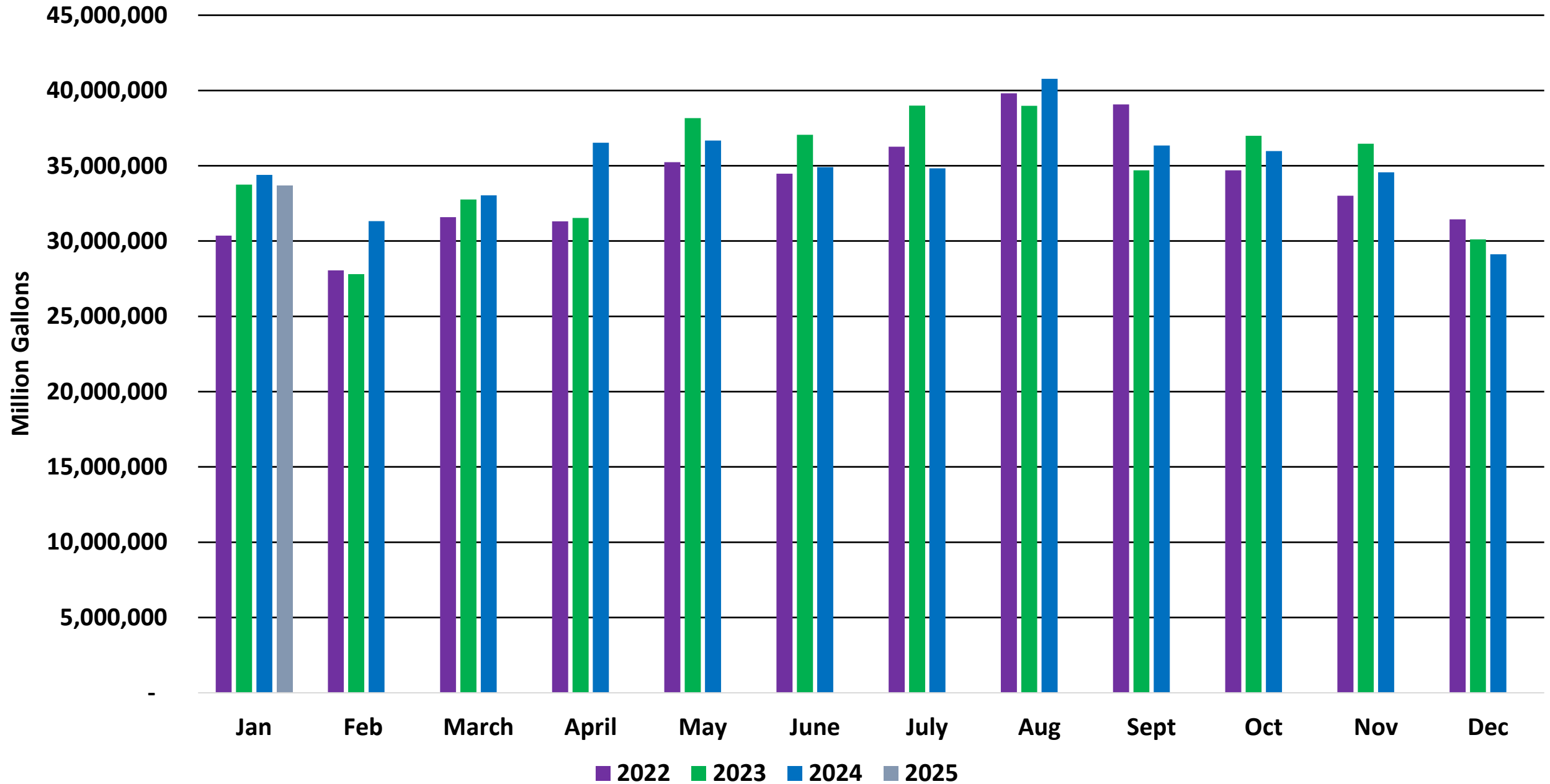
# Water Production through January



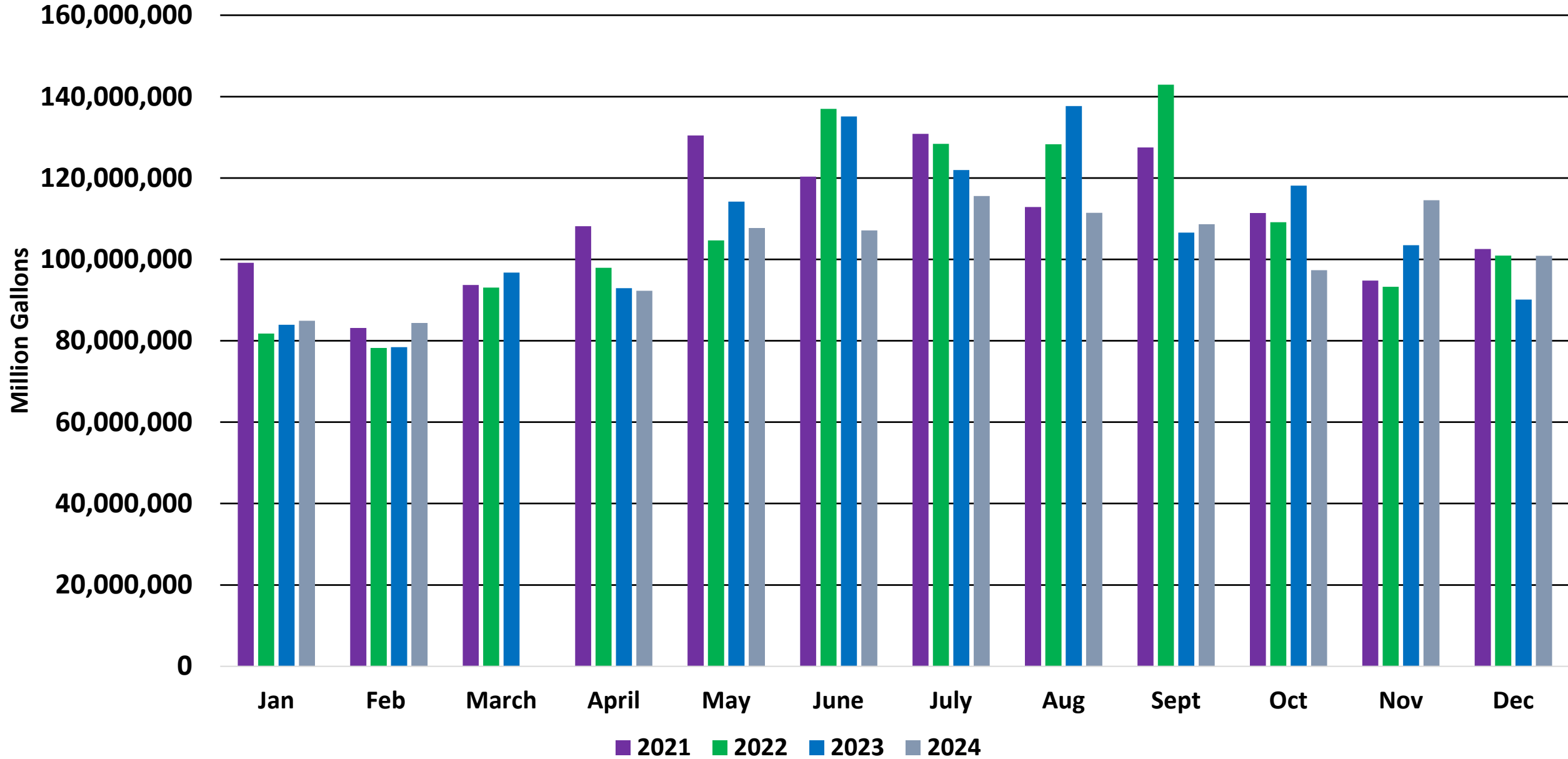
# Daily Water Production



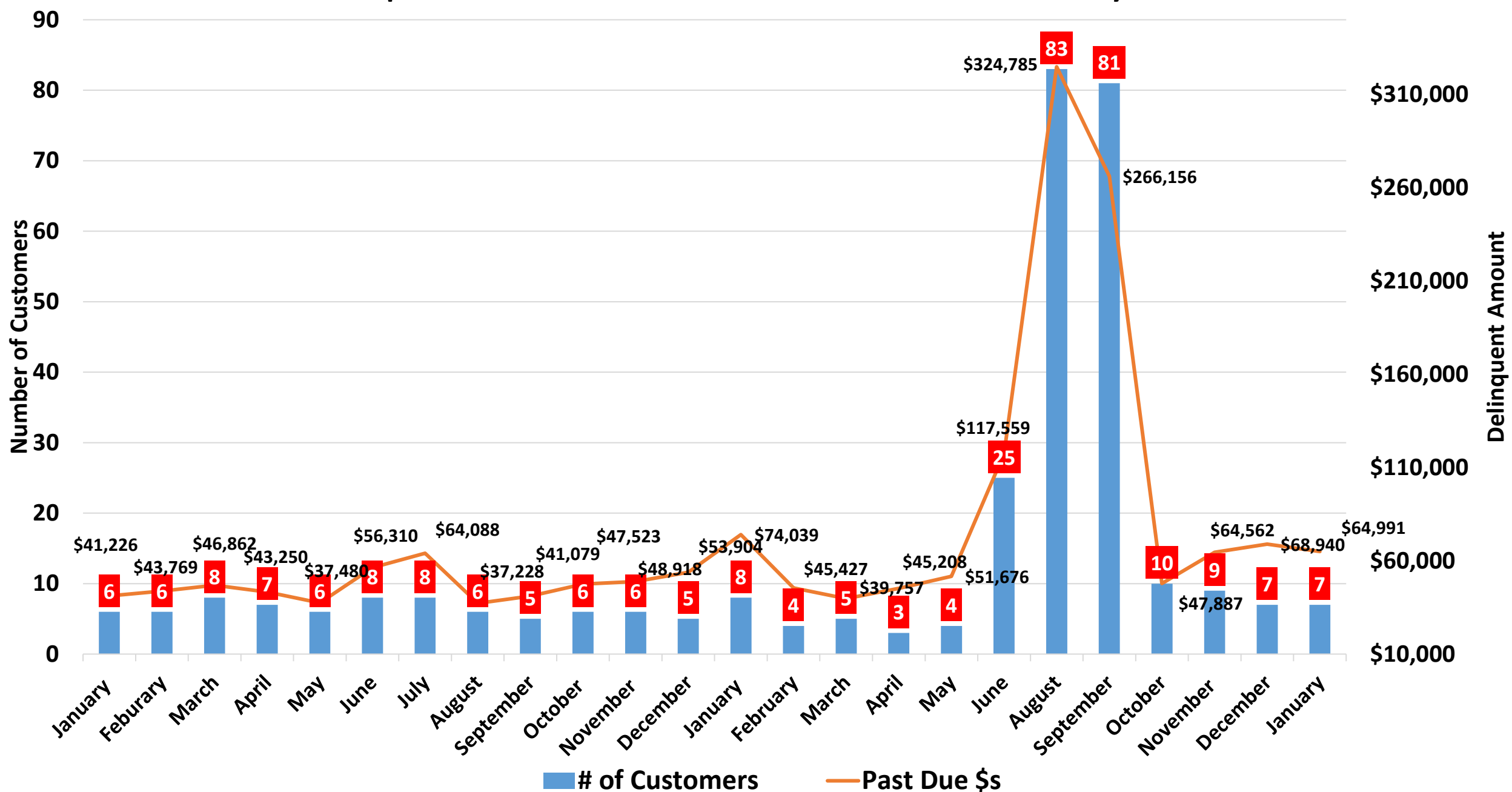
# Commercial Consumption



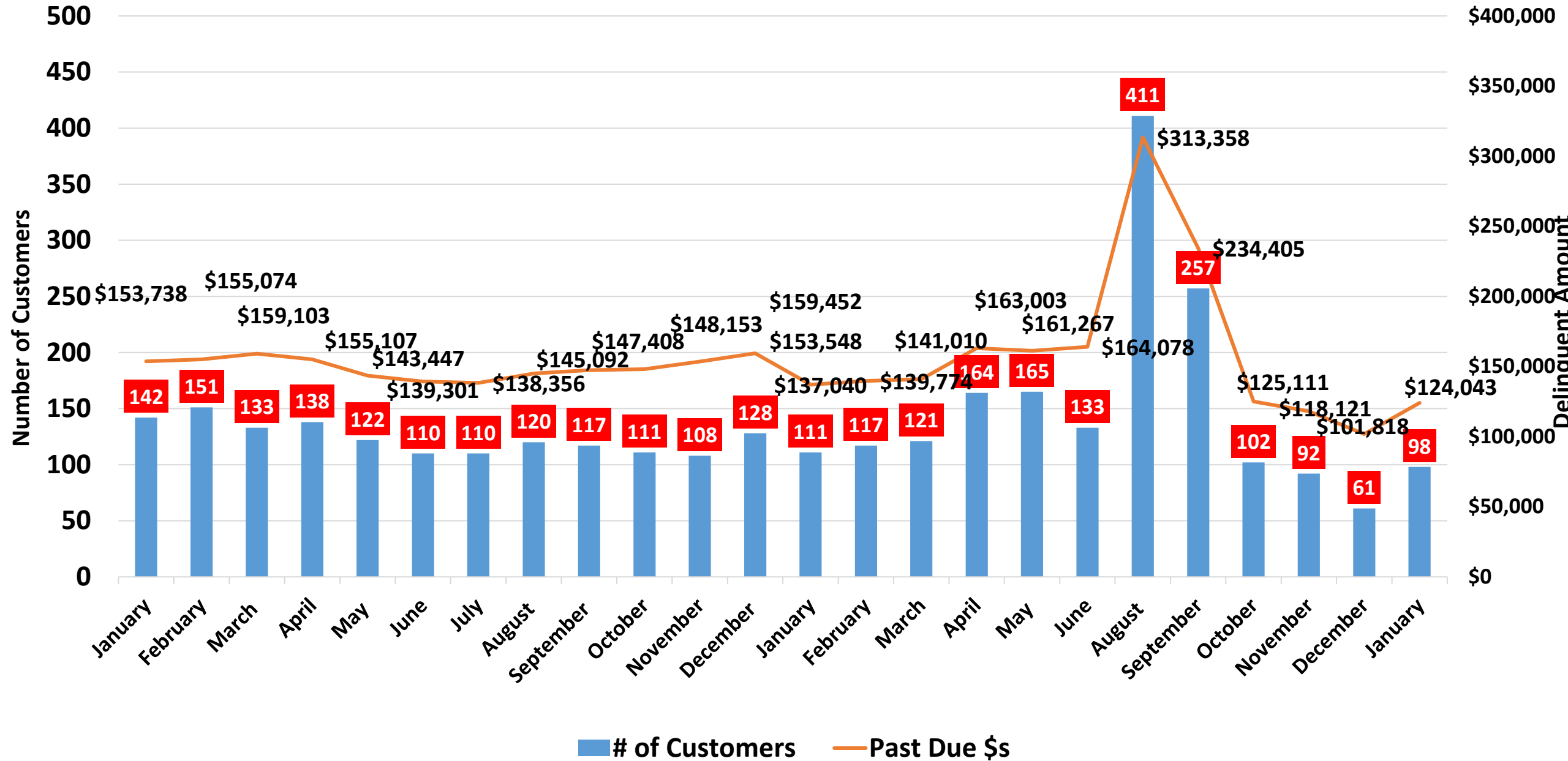
# Residential Consumption



# Delinquent Commercial Accounts Over \$500 and Over 90 Days



# Delinquent Residential Accounts Over \$300 and Over 90 Days



# Customer Service Call Volume

