

# **Citizens' Water Committee Final Report to the Board of Supervisors**

July 21, 2010

# Items to Discuss

- Purpose of Citizens' Water Committee
- Committee Members
- Process
- Objectives
- Alternatives
- Evaluation
- Recommendations

# Purpose of the Citizens' Water Committee

- Better communications
- Review the decision process
- Develop a recommendation for a course of action to the Board of Supervisors

# Committee Members

- Joe Chesser – Board of Supervisors
- Elizabeth Fortune – Planning Commission
- Alan Batson – FUSD Advisory Board
- Gary Peterson – Chamber of Commerce
- Elizabeth Franklin – FTA
- Dennis Holder – FFRP
- Scott Marshall – EDA
- George Fitz-Hugh – EDC
- Richard Schwarz – LMOA
- Frank Pleva – Interim County Administrator
- John Robins – Public Works
- Darren Coffey – Planning

# Process

Step 1 – Identify and define the Objectives that each alternative should meet

Step 2 - Develop Alternative Approaches that supply water and address these objectives

Step 3 - Evaluate Alternatives using objectives to determine best alternative and make recommendation

# Objectives

- Ensure availability of water to Community Development Areas
- Ensure availability of water to the primary county facilities
- Show that the alternative is financially viable through a cost/benefit analysis (CBA)
- Protect the Rural Preservation Area
- Lowest Possible Current and Deferred Tax Impact
- Support Economic Development as outlined in the Comprehensive Plan
- Protect Groundwater Resources

# Alternatives

- From the Original 13 alternatives created by the committee four (4) were kept for analysis
- At the town hall meeting of June 21<sup>st</sup>, an alternative was added
- Five (5) alternatives are included by the committee for consideration

# County is Broke

- County does not invest in any alternative
- Aqua Virginia or Louisa County could be asked to supply water to Zion Crossroads with no investment from Fluvanna County
- The Fork Union Sanitary District (FUSD) could be sold to Aqua Virginia or FUSD would need to pay for water source improvements using an ad valorem tax which is estimated to be \$0.18/\$100 for FUSD properties whether they are connected to the water system or not

# Fluvanna County



## Waterline Options





Option 5: The County is Broke

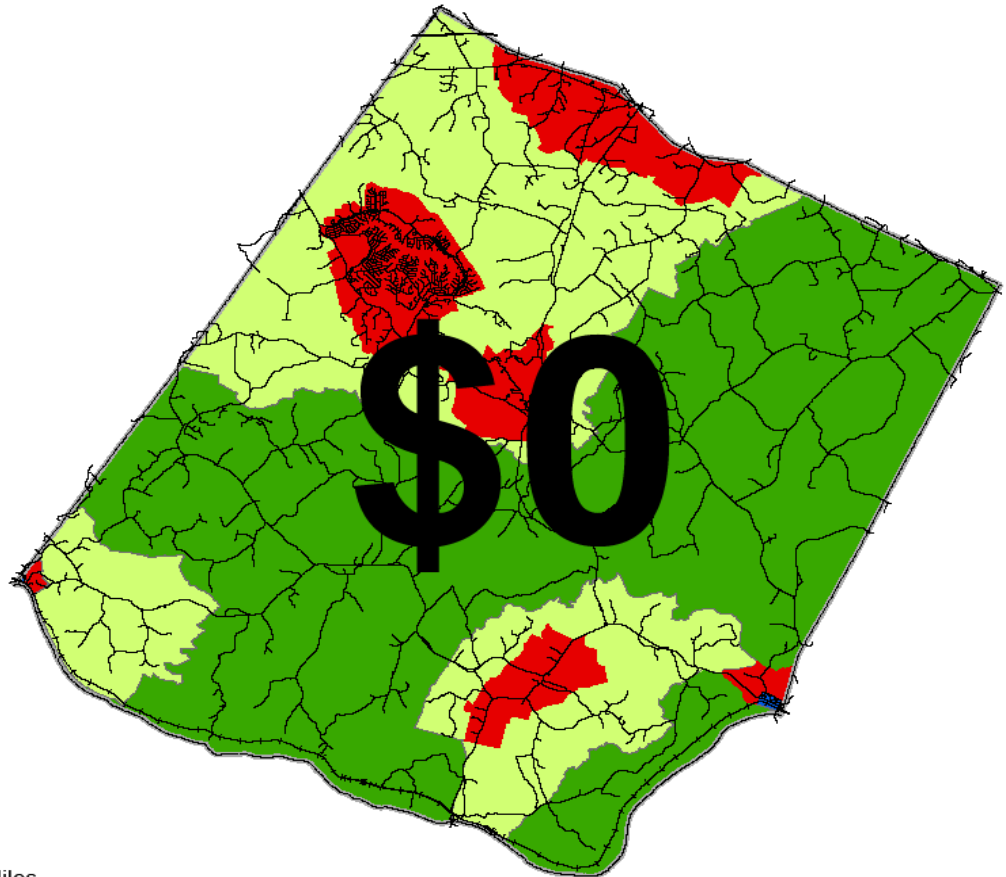
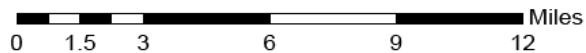
Date: 4/29/10



### Legend

#### 2009 Planning Areas

-  Community Planning Areas
-  Rural Preservation
-  Rural Residential
-  Town Boundaries



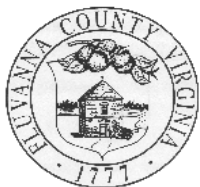
# Going it Alone or Partnering

- Fluvanna Only
- Split with Louisa 50-50 (Eliminated)
- Split with Louisa based on usage

# Free Enterprise

- This alternative supplies raw (untreated) water to FUSD, the Prison and any other developer who wants to connect
- The users would need to permit, purchase and operate a treatment plant for their development.
- The prison has surface water treatment system and will continue their current operations.
- The Fork Union Sanitary District (FUSD) could be sold to Aqua Virginia or FUSD would need to pay for water source improvements

# Fluvanna County



## Waterline Options





### Option 8: "Free Enterprise" Plan

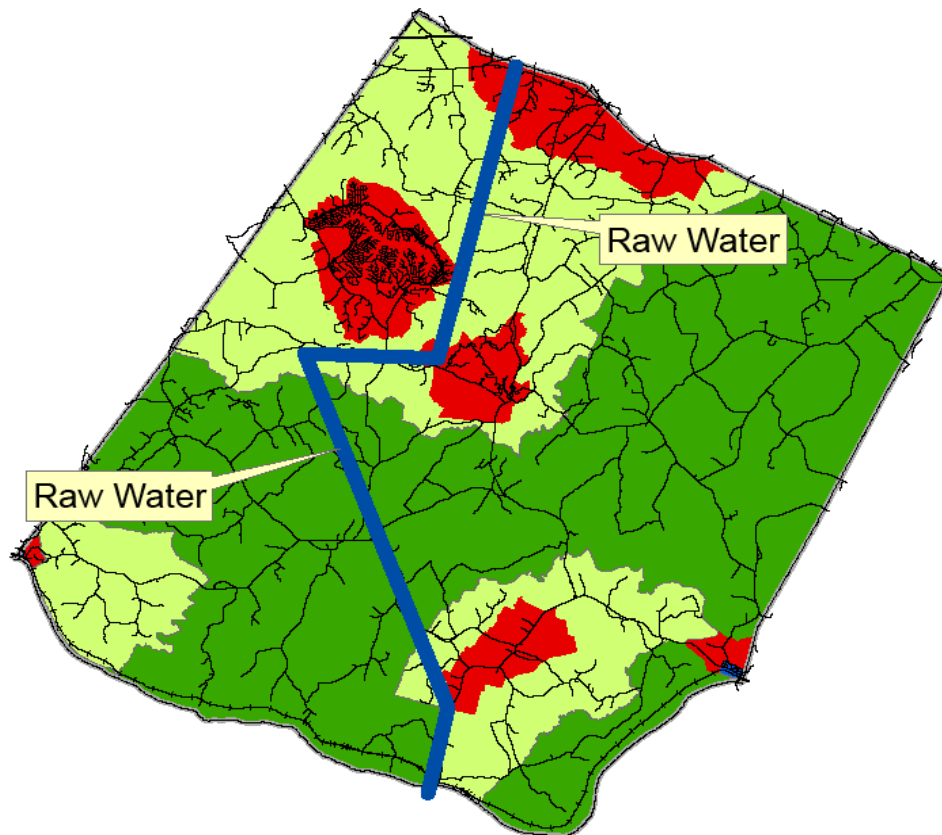
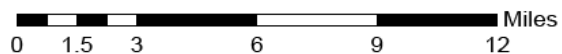
Date: 4/29/10



#### Legend

##### 2009 Planning Areas

-  Community Planning Areas
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# James River to Zion Crossroads via Route 600

- This alternative supplies treated water to FUSD, Palmyra, Rivanna, and Zion Crossroads along with County Facilities
- From a water treatment plant at Pleasant Grove
  - Treated water is sent north via Route 600 to Route 250 and then onto Louisa County
  - Sent south along Route 53 and Route 15 to FUSD.

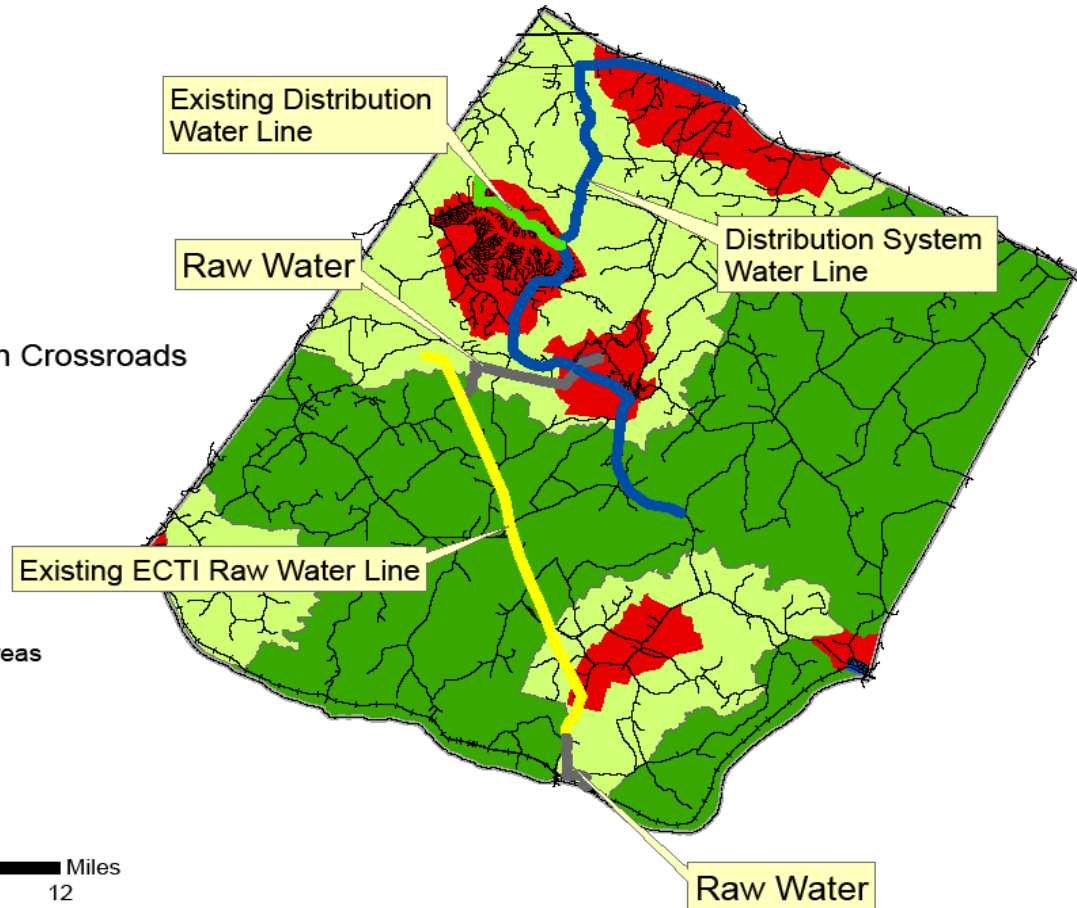
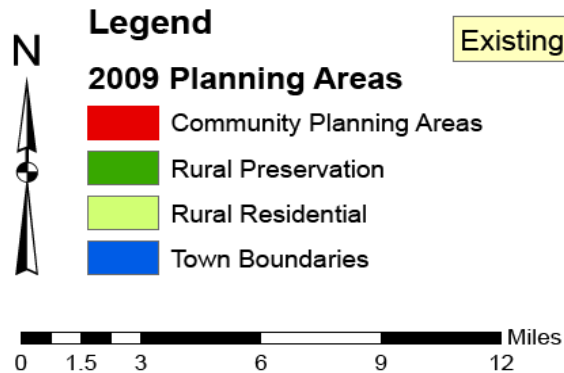
# Fluvanna County



## Waterline Options

Option 9: James River to Zion Crossroads via Lake Monticello

Date: 4/29/10



# AquaVirginia – Fluvanna Only

- Supplies water to Zion Crossroads from the Aqua Virginia water plant at Lake Monticello.
- The source water for Fluvanna County would be the Rivanna River
- The Fork Union Sanitary District (FUSD) could be sold to Aqua Virginia or FUSD would need to pay for water source improvements

# AquaVirginia – Partnership with Louisa

- Supplies water to Zion Crossroads from the Aqua Virginia water plant at Lake Monticello.
- The source water for Fluvanna and Louisa County would be the James River
- The Fork Union Sanitary District (FUSD) could be sold to Aqua Virginia or FUSD would need to pay for water source improvements

# Fluvanna County



## Waterline Options





Option 11: Aqua Virginia Proposal

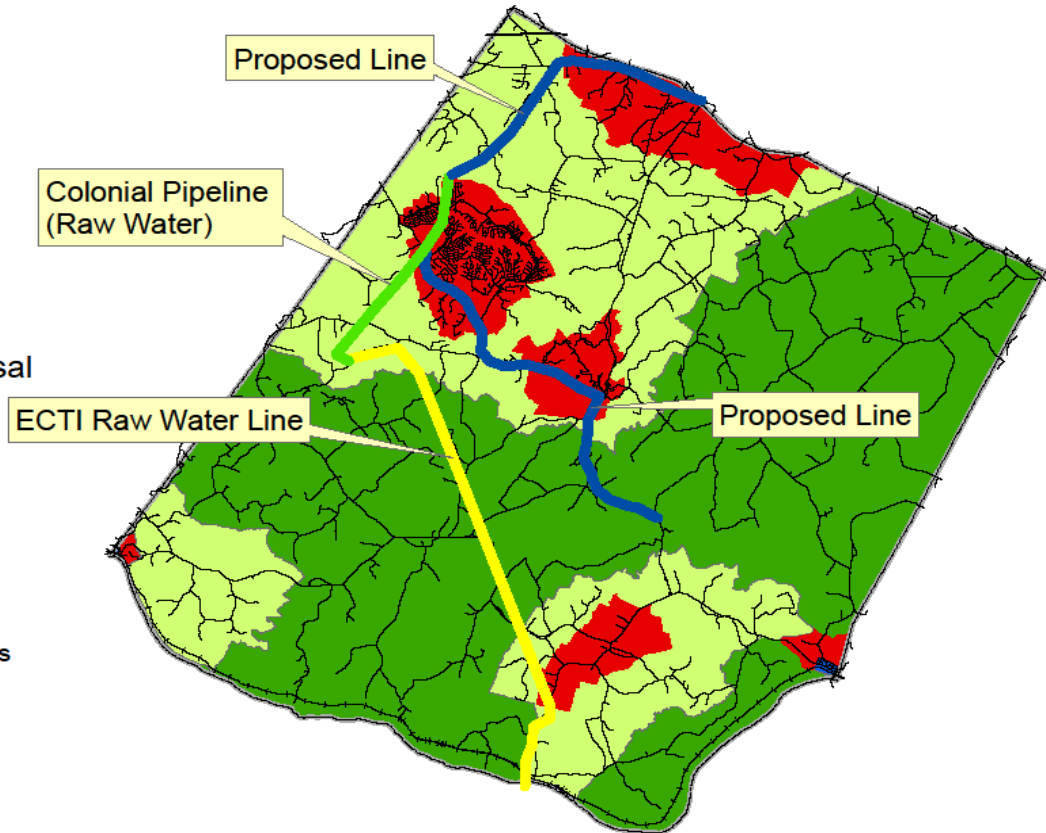
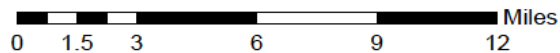
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#### 2009 Planning Areas

-  Community Planning Areas
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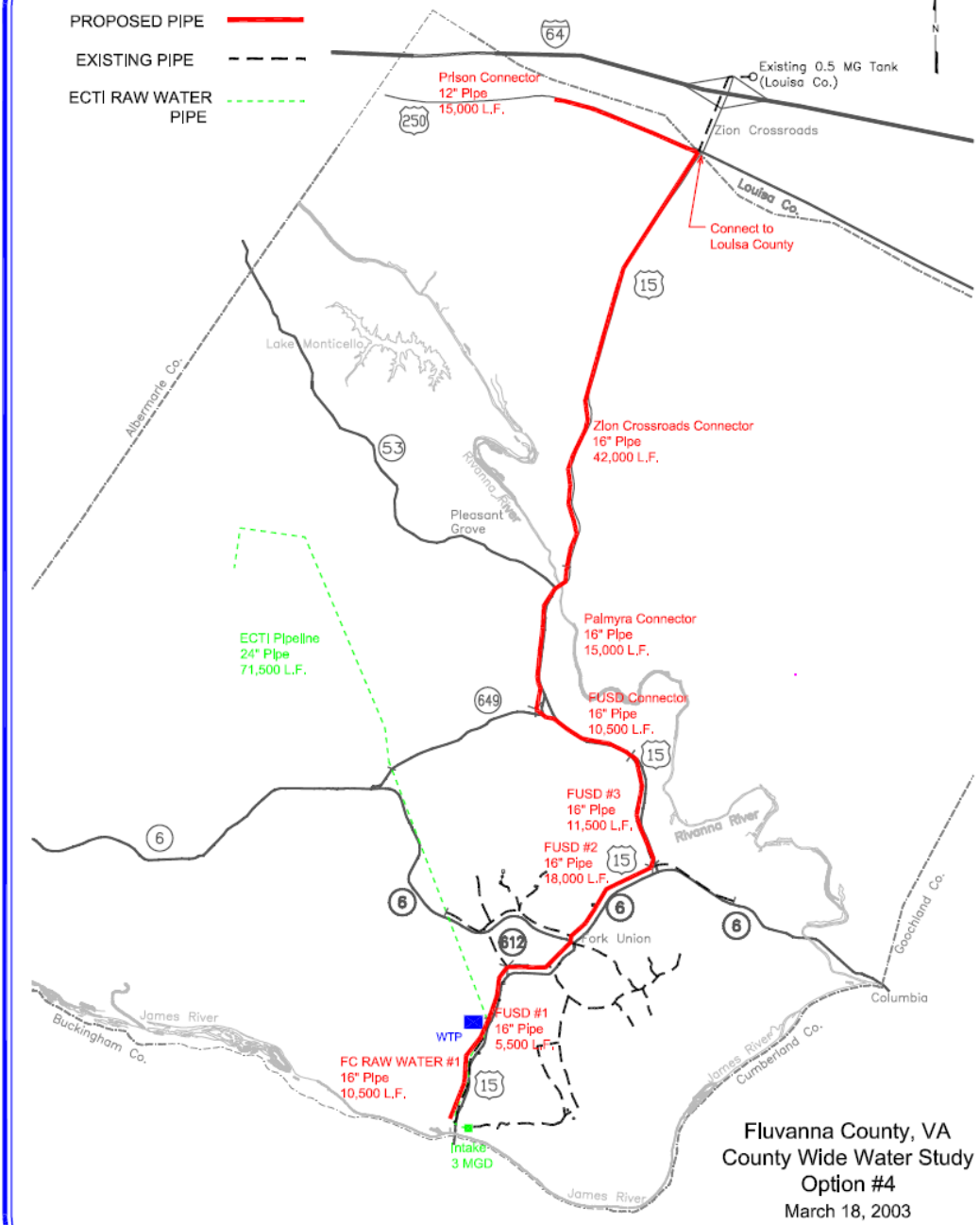


# Route 15 – Town Hall Alternative

- This alternative supplies treated water to FUSD, Palmyra, and Zion Crossroads along with County Facilities
- The treatment plant is placed south of Fork Union and a new treated water line is built through Fork Union replacing the aging pipes of FUSD
- Eliminated because of cost

**LEGEND**

- PROPOSED PIPE ———
- EXISTING PIPE - - - - -
- ECTI RAW WATER PIPE - · - · - -



Fluvanna County, VA  
 County Wide Water Study  
 Option #4  
 March 18, 2003  
 JN 21384



# Financial Analysis

- A financial analysis of each alternative was completed to determine the best alternative and the financial viability of each one
- Revenue and expenses from the operations of a water system were calculated
- Key indicators were compared to determine how each alternative ranks

# Financial Analysis - Input Data

- Water Demand Projections
- Number of Potential Hook-ups
- Revenue
  - Availability and Connection Fees
  - Water Use Fees
  - Partner Contributions
- Expenses
  - Construction Costs
  - Financing Costs
  - Operational Costs

# Financial Analysis – Key Indicators

- Cost of Construction
- Partner Contributions
- Net Cash Flow over 40 year period
- Maximum Tax Rate to Fluvanna Citizens
- Number of Years that some help is needed from the taxpayers of Fluvanna County
- Average Monthly Increased Tax Payment for an average homeowner (\$250,000 home) over first ten years of operations

# Financial Model Results

Alternative	Estimated Construction Cost	Max Tax Rate	Tax Years	Net Cash Flow	Avg Tax/Mo
<b>County is Broke</b>	\$ -	\$ -	0	\$ -	\$ -
<b>Free Enterprise</b>					
Fluvanna Only	\$ 11,752,330	\$ 0.016	29	\$ 2,294,988	\$ 2.49
Split w/Louisa based on Usage	\$ 31,208,961	\$ 0.009	8	\$ 63,174,453	\$ 0.07
<b>James/Rt 600 to Zion Xroads</b>					
Split w/Louisa based on Usage	\$ 56,805,000	\$ 0.035	13	\$ 28,837,704	\$ 3.91
<b>AquaVirginia</b>					
Fluvanna Only	\$ 7,645,000	\$ 0.018	14	\$ 20,088,927	\$ 1.59
Split w/Louisa based on Usage	\$ 26,496,500	\$ 0.014	9	\$ 23,330,521	\$ 0.75
<b>Cross County Go It Alone</b>	\$ 22,000,000	\$ 0.027	24	\$ 11,360,354	\$ 4.34

# Summary

## The Citizens' Water Committee:

- Believes that providing a source of water to the Zion Crossroads development area is vital to the economic growth and expansion of the tax base of Fluvanna County.
- Offers seven alternatives; some of which may include a partnership of a form to be determined by the Board of Supervisors.
- Alternatives recommended most closely meet the objectives of the Fluvanna County Comprehensive Plan.

# Recommendations – Selected Alternatives

## In Priority Order:

1. **AquaVirginia split with Louisa based on usage**
2. **Free Enterprise split with Louisa based on usage**
3. **AquaVirginia – Fluvanna only**

# CWC Recommendations

- The CWC encourages the Board of Supervisors to take an approach that achieves the county goals while minimizing the financial burden on the residents of Fluvanna County
- The CWC strongly recommends to the Board of Supervisors that the James River Water Authority agreement be renegotiated and readdressed

# Recommendations (Cont.)

## **Complete a more detailed financial analysis**

- Verify selected alternative is viable and will have a realistic payback.
- Information should be made clear to the citizens in Fluvanna County

## **Need for a sewer plant and cost estimate**

- Include any taxpayer contributions required to build or operate

# CWC Recommendations

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## Dissenting Opinions

# Dissenting Opinions

## Fluvanna Taxpayers Association strongly dissents from CWC recommendation

- In an FTA membership vote, nearly 75% voted for “The County Is Broke” plan
- 19% voted for the “Free Enterprise” plan
- FTA voters overwhelmingly rejected Aqua Virginia and James-to-Zion via Rt. 600 plans

# Dissenting Opinions

## Why FTA Voters chose “County Is Broke”

- They said: Fiscally unrealistic to build pipeline now
- Citizens hurting . . . worst time since Depression
- More tax increases already expected
- County debt service has soared 300% since 2008
- Biggest debt in county history for new high school
- Where are our priorities – cut teachers’ salaries, can’t afford E-911 system but pay for pipeline to Zion?
- No real need for water now

# Dissenting Opinions

## FTA voters also said :

- Get rid of Joint Water Authority
- Pipeline to Zion: Taxpayer giveaway to business
- Economic development case not made -- how/when will taxpayers see relief to justify \$\$\$?
- Big concern over Aqua rates and dominance
- Worried about new rooftops driving up taxes
- Why should we pay for water we won't use?
- Businesses/subdivisions should pay for own treatment

# Dissenting Opinions

## Friends of Fluvanna Rural Preservation Supports “The County is Broke”

We have NO MONEY

- “The County is Broke” – Gene Ott
- Taxes must rise to pay current debt
- Schools need more money
- More critical needs are unfunded

# Dissenting Opinions

## Friends of Fluvanna Rural Preservation Opposes Pipe to Zion Crossroads

We have NO NEED

- AquaVirginia wants to take FUSD off our hands
- Louisa says it will build a system that can serve Zion Crossroads
- Economic Development should grow organically near people centers