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To: Board of Supervisors
From: Bryan J. Hill
Subject: Strategic Plan - Water
Date: December 19, 2017

As adopted in November of 2016, I am pleased to detail how the staff of James City County has continued their work associated with the goals adopted. Attached you will find a water timeline which details each step as we have made significant progress in identifying alternative sources of water as well as allowing the Board of Supervisors to choose the best option for the citizens of James City County. In the near future our team is hopeful the board of supervisors will **not** sign the second water installment with Newport News Waterworks (NNW) due July 2019. The ability to renegotiate the original agreement now places you in a position of strength. The initial agreement cost the residents of James City County more than \$25 million without receiving a drop of water. Today the board has options to develop several scenarios that will effectively control the future to expand water allocations for our great residents:

- Desalination Plant on the Chickahominy River
 - Source – Surface water
 - 16 Million Gallons per Day(MGD)
 - 2027-2030 timeframe
 - Cost ~\$140 million
- SWIFT project
 - Source - Ground water
 - Current permit is 8.4 MGD
 - Potential will be there to increase to 16 MGD if needed over time
 - 2030-2035 timeframe
 - Cost ~\$60 million to build a redundant system in the upper half of the county

Each of the above projects will allow for the JCSA to supply the entire county by 2035. The residents in Kingsmill and Grove would see a significant reduction in fees, while James City County will have the ability to negotiate water rates with its largest tax generators Busch Gardens and Anheuser Busch. I believe the board requested that we create options that allowed for James City County to control its future water supply. The options above accomplish the goal with varying timeframes and costs that will not impact our current financial plan.

A final consideration would be to negotiate directly with NNWW forging a partnership to allow unfettered access to their reservoir system. This is an option however it is short-sighted based on the desire for James City County not to be reliant on NNWW as they control the reservoirs and thus the provisioning of water. This option would not allow for 20mgd per day without a change in operations by NNWW. Cranston's Mill Pond(CMP) is a supplemental source only, varying levels throughout the year must be defined prior to this being an alternative source of water. The option to use NNWW and CMP should be considered a supplemental option at best as more research and permitting must be completed before these are viable supplemental sources. Please find a timeline of the work accomplished by your James City County Team since 2014 providing alternative water sources to James City County.

JAMES CITY COUNTY WATER SUPPLY TIMELINE

2012

2012

JCSA submitted an application to DEQ for the Central System Groundwater Withdrawal Renewal Permit (April 5, 2012)

2014

2014

DEQ meets with JCSA the first time to inform JCSA needs to cut withdrawal to 3.8 to 4.0 mgd. (July 15, 2014)
Comprehensive Rate Study Completed
Convened a Pre Application Meeting with State Agencies to discuss Water Supply Study

2015

2015

Initial water Supply Study was completed (James, York, and Chickahominy Rivers) (Apr 2015)
Incremental Rate Increase Adopted as part of a multi-year plan
Fixed Charge Implemented
Began Preparation of a Joint Permit Application
County Administrator Selected to Serve On Eastern Virginia Groundwater Management Advisory Committee (EVGMAC)
General Manager and Chief Engineer are selected to serve on sub-committees for the EVGMAC

2016

2016

Joint Permit Application Submitted (Sep 2016)
Received bond rating upgrades from Standard and Poor's and Moody's, which included a AAA Bond Rating from Standard and Poor's

2017

2017

Groundwater Withdrawal Permit Received (issued Feb 7, 2017) (Expires Feb 6, 2027)
Additional information submitted for Joint Permit Application
Joint Permit Application approval (September 1)
EVGMAC Issued Final Report
Began Construction of Replacement Well at Five Forks Water Treatment Facility
Virginia Marine Resources Commission (December 12)
Submission to Army Corp
DEQ Discharge Permit (December 13)

Ongoing

Ongoing

Monitor SWIFT
Continue dialog with the City of Newport News
Continue working on JPA process
Newport News Agreement – discussion (July 1, 2018)
July Work session - 3 alternative water sources for Board Consideration

