



CITY OF HARRISONBURG COMMUNITY DEVELOPMENT

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June 5, 2023

TO THE MEMBERS OF CITY COUNCIL CITY OF HARRISONBURG, VIRGINIA

SUBJECT: *Consider a request from Friendship Properties Partners for water and sanitary sewer service for a property located at Friendship Drive in Rockingham County (County tax map parcels 94-(A)-L88 & L88B)*

EXTRACT FROM MINUTES OF HARRISONBURG PLANNING COMMISSION MEETING HELD ON: April 12, 2023

Vice Chair Byrd read the request and asked staff to review.

Commissioner Washington arrived during the presentation.

Ms. Rupkey said individuals owning property located outside the City of Harrisonburg may request to connect to the City's water and sewer system. Per Section 7-2-4 (b) of the City Code, connection requests for all uses located outside City limits, other than residential uses involving fewer than ten units, shall be reviewed by Planning Commission and then forwarded to City Council for final approval or rejection. This request is for a non-residential connection; thus, Planning Commission review and City Council approval is required.

The +/- 11.02-acre site is located approximately 200 feet north of the City limits, at Friendship Drive. The site is zoned I-1, Industrial District within Rockingham County and is identified as 94-(A)-L88 (identified on the site layout as Lot 4) and 94-(A)-L88B (identified on the site layout as Lot 5). If the applicant's request to connect to the City's water and sanitary sewer infrastructure is approved, the applicant would extend existing water and sanitary sewer infrastructure located within this area to the subject site.

The owner is planning to subdivide Lot 4 into two parcels. A portion of lot 4 (identified as Lot 4A) is expected to be operated as a trucking business, the residual of Lot 4 is expected to be developed for rental buildings for light industrial uses. Lot 5 is expected to be developed as an event center.

When reviewing previous public utility application requests, staff has discussed that the City needs to be careful about extending more utilities into the County, as it may contribute to using the City's available water and sanitary sewer capacity, which could be detrimental to future development within the City and it may indirectly lead to development around the edge of the City that we do

not desire. However, in February 1996, the City and the County entered into an agreement to provide water and sewer to the subject site (referred to as part of the Heatwole properties). An amendment to this agreement occurred later in 2000. In March 2023, the Department of Public Utilities completed the preliminary review of the request and has offered technical approval for extending City water and sanitary sewer service.

Taking into consideration the agreement between the City, County, and property owners, staff recommends approval of the Public Utilities Application.

Vice Chair Byrd asked if there were any questions for staff.

Commissioner Armstrong said my first question is under General Criteria b). It says, “Historically, past Harrisonburg practices in providing services to external County customers at near double rates (rural rates) has provided Harrisonburg customers with the discounted water rates that are in effect today. The subdivision is a potential customer to continue this benefit; however, the following inclusion to the City – County water agreement threatens this advantage...” and “HPU recommends that the subdivision shall be exempted from Item E of the City – County Water Agreement 2006, either by specific reference or preferably by a holistic general revision to the Agreement.” That condition is not in place from their approval. It certainly is a big concern that I have. What price are they going to be charged. It does not seem to be clear here.

Ms. Dang said I do not have an answer for that.

Commissioner Armstrong said neither did HPU. Criteria #3: Analysis of sewer treatment capacity states, “In summary, there appears concern for adequate Harrisonburg treatment capacity in HRRSA for the subdivision.” In the next sentence, what is I&I?

Ms. Dang said it stands for inflow and infiltration.

Commissioner Armstrong continued “Reserving the HRRSA capacity for I&I, however, is not a desirable business plan.” I think this is a problem if there are concerns Harrisonburg treatment capacity for the subdivision. That is a concern for me because in general I have concerns about our water treatment capacity going forward with all the building that is going on. Those are two concerns. The other concern is that this looks like suburbanization to me. It is on the outside boundary. At this junction for Harrisonburg City with a lot of commercial properties that are a little stressed, they are either vacant or... There is commercial real estate stress in the City. That is a concern for me that we are supporting what looks like suburbanization to me. I do not like that. I think we need to put our focus and our support on the interior of the City of Harrisonburg rather than selling a really valuable resource at some possibly not correct pricing to the County. The other issue that climate change is a huge unknown in all of this. Both water capacity and the capacity to process sewer, sewer management, is very much affected by climate change. I think it is a bad time to encourage anything like this. Of course, the contract was agreed on 27 years ago and revised 23 years ago. It is a pretty dated agreement. That HPU suggests that the amendment be entirely revisited is understandable given this agreement is 23 years old. I would oppose this, strongly, for those among other reasons.

Commissioner Baugh said I think that there may be some additional context to this. One is that while I know what it is reading, I have heard a lot of presentations from Mike Collins, Director of HPU, that does not reflect... Now I not sure why they chose to write it this way. I am fairly confident that they are not actually concerned about the capacity issues. I can tell you about the rate. This is a long-standing thing. When I hear this, what I am hearing is they are repeating the fact that in theory we are looking at a rate structure for water and have been doing so for many years. It is on the list of things for HPU to make a recommendation to City Council. I remember some presentations from Mr. Collins talking about how our current pricing structure is outdated and does not serve us very well. The last time that they took a hard look at it is before I was ever on City Council. That means that it was 15 years ago, at least. They decided then to kick the can down the road. We know we have to do something. The central issue is that, as anything you do when you change rates, there are some people who will end up having to pay more. If I am remembering correctly, it is your water is especially cheap for the classic single-family detached homeowner. The formulas that you would do, that he likes to bring up, cause those people to take a big hit right away. Some of it is to eventually get around to figuring out some recommendation to get him where he wants to be, phase it in a way that it would be politically or otherwise palatable to the elected officials and the community. I think that is what this is. We had one of these many years ago. I mentioned it during the site visit. I will suggest that another option we have, if there is concern on the Planning Commission about this... We had one several years ago where we tabled it and invited Mr. Collins to come to a later meeting and have some direct communication with the Planning Commission about this. That would be another option. I think that if we want to vote on it right now, I would be inclined to vote in favor of it, but I would not have any objection to tabling it.

Mr. Fletcher said I wonder if I am interpreting this incorrectly. Under item b) City Customer Discounts, I wonder if what they are saying here is that HPU are recommending that in this specific instance this customer is exempted from item E. meaning that they will not have a reduction in rates.

Commissioner Armstrong indicated agreement.

Mr. Fletcher said I wanted to make sure that we were all on the same page with that.

Commissioner Baugh said that has been my understanding.

Mr. Fletcher asked, Commissioner Armstrong, what was the other component that you were unsure of regarding HPU's recommendation?

Commissioner Armstrong said they have a qualifier in there about wastewater management for the subdivision indicating that they had uncertainty about that. Then they had another sentence that qualified that and reversed it with that I&I abbreviation. They said that they did not think that should hold up business plans, which we are at a time where the environment may have to hold up business plans. It is the reality. We are hitting it there at the water. I have a lot of respect for Mr. Collins. I have heard his presentations, too. I have a lot of respect for his attention to detail and his diligence, but we are at a time where the climate is changing radically, where you have repeated rivers coming out of the sky in California and we are very arid right now. I almost feel like we are

living in California because it is so hot and arid in the middle of April. We have a changing climate, and no one can predict what we are going to see going forward. I think that municipal water needs to be prudent. There are a lot of municipal water systems, I say a lot if there are any, in the United States that are failing. They are failing their residents. We should not see that. I think we need prudence.

Commissioner Baugh said this does not get into, and is something we can take a deeper dive in. It came up a little bit in the site visit yesterday. The alternative here is that they have to get it from the County. The County faces a serious challenge because for them to run their municipal water system it has this big hole in the middle of it called Harrisonburg, which is not part of their system. It is a very decentralized, ad hoc may be too strong a phrase or may not be, system. My understanding is that a lot of the thought on this, particularly for these properties that are very close to the City line, is also the efficiency of when you have a system that is relatively close buy that can provide the service versus the engineering that you have to go through to get it from another provider that would be more of a challenge. Now, how hard it would be for them to get it from the County, I do not know.

Mr. Fletcher said I do not know the answer to that either. I would be curious if the applicant understands whether or not if they do not get it City whether they have to get a septic and well or not.

Commissioner Armstrong said the same argument goes that the [waste]water treatment has to traverse the entire Harrisonburg in order to be treated for this facility. When you are talking about not located adjacent, that is going to apply to Harrisonburg to treat this [waste]water. It has to traverse the entire City to the south to go to the treatment plant.

Commissioner Baugh said or go around the City to get to it.

Commissioner Armstrong said it says in there that it would have to traverse the City.

Commissioner Baugh said I am talking about in a County system, the County system being further.

Commissioner Armstrong said I think the provision of this should influence... They do not have to build there. This influences where they build. That is not something that the City owes to the County. I hope that is not a publicly offensive statement. That they should necessarily build this at that location.

Ms. Dang said I notice here in the Executive Summary on the first page of the HPU evaluation they have recommended "moving forward subject to the following." Should we consider recommending those? Were they intended to be conditions? Is that their recommended condition? I did not think of that at the time when we were reviewing.

Mr. Fletcher said I cannot recall a time that we discussed conditions like this and whether or not this is a question for City Council because it has to do with rates. The Planning Commission does not have authority over rate issues. It might be a matter that should be brought up at a City Council meeting.

Commissioner Baugh said the history on this, even though what we have in place has been in place for a while, it created a system. If I remember correctly, as part of the angst between the jurisdictions from the last annexation, this agreement provided for this where it was not provided for before. The driver was this idea of for areas that are immediately adjacent to the City or we had some other exceptions for things that were immediately adjacent to supply lines. I think that there are a few that we have approved some distance outside the City but they got the water supply line going right by them. That at least was the spirit of this. It may not be a dispositive factor, but I think in many respects it was trying to patch up relationships and be good neighbors in the aftermath of some history of some hard feelings. My recollection is that we have always approved them, and they have always been either these types of properties that were just across the line or some of the ones out west of the City that are along the supply line. Presumably, in the future we will have something from the east.

Mr. Fletcher said we have had one or two on the east side of the City. There was one that was questionable in the southwest. You mention that we have always approved all of them. I am trying to recall.

Commissioner Baugh said you are like me that we were around the time that it came up when Mr. Collins came in and talked with the Planning Commission about it. That would have been early 2004.

Mr. Fletcher said the question, high-level, is really about, is it in line with good planning? That is the question for the Planning Commission. That is where the question comes up. We speak to that in the staff report. To always be cautious of asking that question. Is the development inconsistent with where we want our adjacent developments to be? It is a reality that if you are promoting the extension of water in an area where anyone may not want to see that, but it does offer potential development opportunities where they might not have existed. Maybe the economies of scale are just too great, and it is not viable.

Commissioner Armstrong said I think that since I have been on the Planning Commission, we have had a residential home petition for water access across the line. I have no problem supporting that, but this is 11 acres. This is a large commercial... This is a large process here.

Commissioner Orndoff said what is interesting, too, in looking at the Executive Summary, they recommend approval subject to two or three modifications on the way the City handles this. Maybe this is the appropriate time to open up that discussion.

Commissioner Armstrong said I am not sure that I know what the phrase in number two “new drought water sources” means. I would hate to guess. That is a worst case scenario.

Mr. Fletcher said that in the Capital Improvement Program, Mr. Collins is always planning far into the future, as he should. He does a great job at it, making sure that there are always opportunities to provide water.

Commissioner Armstrong said that is all well and good, but we cannot plan way out into the future with climate change. It just does not permit it. We do not know. They are having travel predicting the weather at this point because it is so anomalous. California does not get 24 inches of rain. That does not happen, but it has. That is the problem. That is why I said that I have a great deal of respect for Mr. Collins. I have seen him present and thought it was a great presentation. He does not have a crystal ball either. When there is a phrase in here that says “developing new drought water sources” that makes me nervous, particularly with all this infill development that Harrisonburg is approving. There are a lot more people living in the City. I am not sure that has been taken into consideration, the changes in climate.

Commissioner Baugh said I am all for whatever dialogue we need to have for someone to get better insight into this. I am reading this almost more of a if or when you developing new drought water... The operative piece is not that, it is that we want it understood that if and when those things develop, we do want to adjust impact fees or availability fees. They are not going to get a free ride. Even if they are outside the City limits, we would look at having them pay their proportional share of those things if and when they happen.

Vice Chair Byrd said as in once you are part of the system, you are part of the system.

Commissioner Baugh said yes, that you are not getting locked in to something like where you are right now. I may not be the best person to answer that question.

Vice Chair Byrd said whether that is legally true or not, City Council will have to take that into account, regardless of what our recommendation is because we do not make decisions about fees.

Mr. Fletcher said that if you have a list of questions you would like for us to follow up with HPU before you make a decision, or if you would like us to invite someone who can speak to some of these questions that you have we could arrange that.

Commissioner Armstrong asked would that require tabling it?

Mr. Fletcher said yes.

Commissioner Armstrong moved to table the request to get further clarification on some of the issues that have been raised, the exempt item E and these items in the Executive Summary. I would also ask them about their statement about wastewater treatment and that they had concerns about the subdivision. I would ask them other questions. I would not want to restrict it to just these two.

Commissioner Baugh seconded the motion.

Vice Chair Byrd asked for clarification on the motion.

Commissioner Armstrong said to get further clarification on some of the issues that have been raised, the exempt item E and these items in the Executive Summary. I would also ask them about their statement about wastewater treatment and that they had concerns about the subdivision. I would ask them other questions. I would not want to restrict it to just these two.

Mr. Fletcher said we can invite them here and refer them to the minutes to make sure they evaluate it. The conversations that you are beginning to have, are conversations we have had internally about that there will come a point at which point very difficult decisions need to be made at the periphery of the City regarding water and sewer and whether you would want to approve these types of requests.

Vice Chair Byrd called for a roll call vote.

Commissioner Armstrong	Aye
Commissioner Baugh	Aye
Vice Chair Byrd	No
Commissioner Orndoff	Aye
Commissioner Washington	Aye

The motion to table the request passed (4-1).

Mr. Fletcher said we will reach out to the applicant regarding the next steps.

Luis Pineda, one of the owners of the subject property, came forward with a question. Since item was tabled, would the next session be open to the public so that we can comment.

Ms. Dang said that it is not a public hearing, but the Chair has the discretion to allow the applicant the opportunity to speak and answer questions.

Commissioner Baugh said historically we have generally allowed people who want to speak do so.

Mr. Pineda asked since it was voted on and tabled, would the next one when you open it back up and bring in the subject matter experts, will we also be able to speak and bring our point of view?

Mr. Fletcher said it is not about a public hearing. It is about allowing an applicant to speak to their application. Historically, for things like preliminary plats, public utility applications, things that are usually not a public hearing we have allowed the applicant to speak on behalf of their application regardless of whether or not it is a public hearing.

Commissioner Orndoff asked we can get HPU in here and have a conversation with them?

Mr. Fletcher said yes.

Mr. Pineda said we would like to address some of the concerns.

Commissioner Baugh said the concerns were not so much that we do not know enough about what you intend to do. The concerns are much more general about the policy, the fact that there is a sea of industrial property up there across the line. The questions are a bit more at a larger policy level.

If you can show us that you are not going to make enough demand, it is not that you are the straw that broke the camel's back.

EXTRACT FROM MINUTES OF HARRISONBURG PLANNING COMMISSION MEETING HELD ON: May 10, 2023

Chair Finnegan read the request and asked staff to review.

Ms. Rupkey said on April 12, 2023, the Planning Commission considered the subject request and tabled the request because there was a need for more information. Mike Collins is here today to discuss those questions.

Mike Collins, Director of Public Utilities, spoke on the request. I am here to answer your questions.

Chair Finnegan asked if there were any questions.

Mr. Collins said when we send recommendations up here our recommendation has no influence on what type of business, what traffic, anything like that, but we cannot serve County people in the County unless we have the approval. They go through the process and Rockingham County sends a request of things for us to consider. Obviously, there were a lot of things to consider and one of them was utilities. It starts with utilities. When we send recommendations it is completely utilities based. No influence from anything else, but I guess that gets taken if you want to interject traffic or whatever element it is. It happens after it leaves Public Utilities. When we send a utilities recommendation up, do you understand what we are doing? Can I help you understand what we're doing? Where did you get hung up last time?

Commissioner Armstrong said that one of the hang ups is this is a commercial property and not a residential property. We have had those. Those are easy to approve. To hook into from the County to the City. One of the hang ups is this is an 11-acre commercial property, so that is quite a bit more. Process water and wastewater management both having to be provided.

Mr. Collins said first of all, residential or non-residential are totally irrelevant to me when I send it to you. It may be important to you but that has no part in my recommendations. Let me help you understand as Public Utilities manager, we have to develop a strategy on our infrastructure. It is not something we do day to day. Generally, it takes a long-term thing to build a utility. In 1997 we made a major decision. We had many Council meetings deciding what direction this utility was going to go. Our plan is for 15 million gallons a day water supply, that was the goal, and the infrastructure was put in place as early as 1990. Now, in that model for the 15 million gallons of infrastructure for water, there has been quite a planning agenda, Adam can share with you later, but we took the Land Use Guide, that I think you folks had a lot to do with and figured out what our city would need to be. You just don't build infrastructure to that level, there are increments that you build when you build large enough. Let's just say you are building 177 apartments, this is just an example, you can only build 150 apartments or 200 apartments. Well, the 150 apartments are not going to cut it. So, you build the 200. What do you do with the other ones? You do not

leave them vacant. No business would do that. We are a business. So, what we determine is what we have to allocate.

Right now, we have about 880,000 gallons reserved in our master plan that we currently serve in the County today. We have three definitions of customers. We serve City customers; those are people who live in the City that we bill directly. There are rural customers, those are people who live outside the City limits that we bill directly. Then we also service Rockingham County, which we wholesale to them, and they sell it to their customers as if they were producing it. Our model takes care of Rockingham County as well as us. The reason we do Rockingham County is because we knew there are a lot of things we were dependent upon them for over the years that we probably give and take for a lot of reasons. The business model we have reserved 1 million gallons the County to use. We serve about 880,000 gallons already to our rural customers and what we get out of that is some control of who we serve, but also it is more like a profit sale, where we take the profits put it back into the City and make City rates cheaper. Look around the state. Look at our rates. The reason why we are kind of where we are, there are a lot of reasons, but that is a big reason. Now, what we have left is about 370,000 gallons a day to place on the open market for rural customers. This development here is 6,500 gallons. That is a very minuscule part of it. When we look at the utilities we look, and we make a recommendation to you. We look at several things. We look at if it meets our strategic plan that has to do with where we are going with ultimate water treatment capacity and ultimate water supply. That is the big picture strategy. We also have to look at sewer treatment capacity and interceptor capacity. That is also in the long-range plan. The one thing we look at on case by case is the very local area. We have looked at all this and the one thing here is that this commitment, this is so small. This is an agreement that our former manager, Steven Stewart, with the authorization of City Council and Bill O'Brien, the previous manager of Rockingham County, agreed to and put in writing that we would do this. What it comes down to is what we, Public Utilities, would do if it did not meet our strategic master plan. We would throw up a flag and try to hold it back even though the agreement was signed and see where it goes. There is no red flag here. When you are talking about an infrastructure we have designed 20 years ago to market 370,000 gallons in the future in the County and this is 6,500 gallons. This is really small in context of our master plan and in agreement where two bodies back in 1996 shook hands.

Commissioner Armstrong asked when you say marketing the water and I understand the rates are different; does that rate difference apply to this?

Mr. Collins replied yes. There was a very large development that came through and we looked at it. It has not made it here [to Planning Commission] yet. We articulated in that review all of these issues and we have one little problem going on. Remember I said there were three different types of customers and in our agreement with Rockingham County it says that we try to bring the rates in the county back to the City? We are working to amend the agreement with Rockingham County. We used a model of comments for a recommendation that you all have not seen yet. We tried to be very thorough with Planning Commission with our recommendations, we just did not want to send up a recommendation and not give you anything. We wanted to show the depth we went to. One of the problems I had with the very large development was the County was very interested in having us take that development in as a rural customer and at the time I said yeah, but we need to undo this agreement. We want the rate differential to benefit our City customers. And this is kind

of a carry-over comment and I would like to retract that comment. It is being taken care of; Mr. Russ is very involved with this.

Commissioner Armstrong asked you have been talking about the amount of gallons per day, what about the infrastructure that needs to be constructed?

Mr. Collins replied that when we developed our long-term model, we say that 15 million gallons has, 880,000 gallons currently to the rural and we are going to market 370,000 gallons... You know what we are doing? We are taking available capacity. We are not building stuff so that can happen. We are using capacity that is there and we are taking advantage of it. Anything new that they have to do, they are going to deal with it and convey it to us. We will not incur any cost as a result of this.

Chair Finnegan asked a follow up question about conveyance. It does not matter if it is this request or any request. They say, here the infrastructure is yours now and then in 30, 40, 50 years when it needs to be replaced, we are on the hook for that right?

Mr. Collins replied yes. We are a very mature utility. What that means is that this began in 1898 and the useful life of pipes is about 100 years. We are basically rebuilding the City again like they built it, but the rates that we charge have to cover this. I gave a presentation to City Council on a long-term financial model to make sure we do not kick the can down the road because then it becomes difficult. This probably will not come due for about 100 years, but their rates even being higher helps keep our rates down and then the differential in the rate goes back into helping our infrastructure. I would not call it on the hook. I mean you know I do not think it is on the hook when you are a utility. That is something you have to be ready for when you build stuff, you have to take care of it. I think we have a really good plan. That is not a reason to take this utility in.

Chair Finnegan commented on an article he read that pertained to the scope of the request. The only concern that I have is a 100-year flood. Think about these events that are supposed to happen every 100 years. Things are less reliable. What happens when it floods, and untreated sewage goes into the waterway? I don't know if you can speak to that concern of flood. Is there a contingency plan?

Mr. Collins responded that is kind of independent of this development. There is a given amount of inflow and infiltration (I&I). That is a fight that every utility is working on, including us, so there is a given amount of it that you have to plan for. There is an industry target that we build to, which is the 10-year storm. Let me give you a stormwater analogy: there is a ditch going into a culvert...they are going to design that storm pipe for a 10-year storm. You know what happens with a 50-year storm or Noah's flood for that matter? It will go up... That is why you will see all the drain systems not carrying it. To go up to the next level is another level of investment. What we do is we are designing it to the 10-year storm. The water is not storm-water, it is the amount of I&I that gets in our system during a 10-year storm if we are designing for ultimate build out plus the I&I for a 10-year storm. When we have 50-year storms, then you are going to have a problem. For us to elevate to another level it is another economic level in the multimillions of dollars. We are an industry, that is how we handle that. We work really hard to reduce the effects of the storm on us. Our budget this year was about \$600,000 or \$700,000 in capital outlay. Our guys are out

there lining the inside of pipes so that perhaps we can even handle more than a 10-year storm. It is always a constant battle. I mean if we are going to have Noah's floods every year, we are not going to be able to handle that. But the level is a 10-year storm and I think that is pretty robust. I would love to go to 25 or 50 year. We do have an expectation. What that is kind of saying is that as long as we do not have a 10-year storm, we are building more sewers so that no one should have loss of service up to that level. The 10-year storm level of service is what we are shooting for.

Commissioner Armstrong asked related to the climate change issue, at what level of rainfall intensity has to happen in order to affect the biological activity of those open processing pools? Because those are open pools, and they are biologically active and that is important. My sense is that biological activity becomes to dilute when we get these intense rainfalls.

Mr. Collins responded that all of those facilities down there are designed for a hydraulic max. That facility right now is at a 22 million gallons a day average and I think their max hydraulic load is 60 million gallons. What happens to it is that it flows through the basins too fast. What happens is that biological activity will try to settle it out and they will try to put it back, but if it gets past that they have got such level of treatment that they actually catch it in fielders and stuff like that down the line. The probability of something coming out of the back end of that plant is not too good, but making things difficult and costly, it can. Right now, their max is 60 million gallons. I do not think they have come anywhere near 60 million, but they are not at full capacity they are at about 50 or 60 percent capacity. They think they will be at full capacity in 2040 and they will expand again and then they expand to 28 million gallons. After that they are done.

Chair Finnegan asked if there were any more questions for Mr. Collins.

Vice Mayor Dent asked we keep seeing these cases that are right on the County line and you have explained really well how we have the capacity to sell the water over the line. Where does it come from if we do not give it to them? Is there County water and sewer that comes from the other direction and where does it meet?

Mr. Collins said the County would not let us serve them if they could serve it. We are reciprocal, we want to serve our customers. We listen to our customers. They just do not have the ability. We are basically built out and there are very few areas in our City that do not have service. They are different. Our capital money, really your water bill is about 50 percent operations, 50 percent capital. Our 50 percent capital goes towards replenishing the assets we already have. Theirs goes to trying to get somewhere new. Now you can kick that can down the road, but you cannot kick this one. Covid slowed everything down, but you know what it did not slow down? The deterioration of those pipes out there. Once we build it, we have to replace it to keep the same level of service.

Mr. Fletcher interjected and said there will also be places where they would not be able to afford to extend the waterline from the City into the County either. Then in that case, you are looking at septic and well. Then there are probably limitations on what the well will be able to support from the development perspective.

Mr. Collins responded that as a general rule, things to the north of us are probably the least attractive from a utility standpoint. Now, do not take this as gospel, it is case by case, but something developing to the north has to travel through the City. It is a whole lot less than something just below the City. We look at the treatment plant capacity, interceptor capacity, and our local infrastructure inside. That is on the sewer side. On the water side, it is water supply, water treatment plant, and the local infrastructure. When we say to you, we are good with this, we have looked at all 6 of them and checked them off. It is not that you do not trust us, but what do you want to know for future applications?

Chair Finnegan asked is that why the Urban Development Area in the County is to the east? Like where the hospital is, downhill from the City?

Mr. Collins corrected and said it is to the east of the City. They have expanded their service out there. They own everything out there.

Chair Finnegan clarified that they do not have City service.

Mr. Collins said they need help in places, but no. When the hospital went out there, they took all of that development and stuff out with it and they built infrastructure.

Chair Finnegan asked if it is on the City line?

Mr. Collins said yes. There are places where it gets difficult on the fringes for them to serve and we can because we are right there so there are some areas where we will serve.

Chair Finnegan said this might seem like a wide range of conversation that may not seem germane to this request. In my mind they are. I want to understand the system we are saying yes or no to.

Mr. Collins said that when I send a recommendation, I do not know how detailed you want to go. Maybe this conversation gets too detailed for some of you. Those are six criteria. We did not want to confuse you when we sent it up. I am willing to tell you why we do what we do. That can be very transparent to the extent you want to. Let me know how you all want the information in the future. I know that I can get in the weeds.

Vice Chair Byrd commented that we tend to ask all of these questions because in other cases, a lot of the citizens will come to us and complain about flooding. So, that was generated on a number of these other actions.

Mr. Collins said we look at that. We are not going to let that happen so long as up to a 10-year flood.

Mr. Fletcher clarified that the 100-year flood is the term used to describe, by FEMA, a 1 percent chance of flood in any given year.

Ms. Dang clarified and said it is not a 1 percent. It is not a 1 in 100 years. It is a 1 percent chance in a year.

Mr. Fletcher asked at what size does a sewage pipe become an interceptor?

David Gray, Engineer for the Department of Public Utilities, spoke on this request with Mr. Collins. I think the Virginia Department of Environmental Quality defines those terms for laterals, mains, and submains. Interceptors, I think, are when 3 or more mains come into one pipe. You have got laterals, that are from houses and connections, they come into submains. Submains collect into mains, mains into interceptors. Generally, a 12-inch size is the smallest for interceptors.

Mr. Fletcher clarified that I just wanted to have that conversation because you know that terminology and often it is not used here.

Mr. Gray said in our world, the way we consider interceptors is what is owned by HRRSA. It is more commonly our delineation but not entirely. We have some lines that we consider interceptors that are ours so sometimes it is interchangeable.

Chair Finnegan asked what HRRSA stands for?

Mr. Gray clarified that HRRSA stands for the Harrisonburg-Rockingham Regional Sewer Authority.

Chair Finnegan asked if anyone had any more questions for Mr. Collins. Hearing none, he then asked if this would require him to open the public hearing.

Ms. Dang said this does not go to a public hearing. The applicant is here.

Mr. Collins said we will continue to send you stuff and let us know what we need to make it clearer for you all.

Chair Finnegan invited the applicant to speak.

Gil Colman, of Colman Engineering and the applicant's representative, stepped forward with thoughts on this request. One thing that I want to point out is you mentioned the City of Richmond and Lynchburg, they both have a combined sewer system which combines stormwater and sewer, therefore, the large floods will impact them. They also have what is called a sewer overflow, which are big vaults to collect some of that stormwater and kind of route that in a way so that it is not as impactful. But we do not have that here; our system is not a combined stormwater and sewer. So, we are not going to be impacted by floods like that. In our case, hopefully that never happens.

Chair Finnegan asked if there were any questions for the applicant. Hearing none, he opened the discussion to staff.

Chair Finnegan reread the request.

Commissioner Armstrong asked what about the planning aspect of this, that is Rockingham County? Our only interface on this planning aspect is the utilities.

Mr. Fletcher said we ask ourselves these questions too. The question we begin with is the proposed development that we are connecting to our utilities in conformance with surrounding properties? And yes this is similar to our industrial classification. We, at times, when we think it is appropriate, and we did in this case, will connect with Economic Development on whether this will cause concern about competition with things that are in the fringe of the City? If I recall correctly, they did not have concern. What you just asked is really the root of why we are here. Is connecting our public utility to this property in the County from a land use prospective, not an economic, not from the sewer or water capacity, but does it make sense from a planning perspective?

Ms. Dang added that there is also the evaluation from a traffic and transportation opportunity. In this case, Public Works did not have concerns. There have been other larger developments that we have had discussions where we have told the property owner and the County that there are traffic concerns and that staff is not sure we would recommend the Public Utility applications until you address these other concerns related to transportation.

Chair Finnegan recalled connections for various reasons in residential and business areas and I seem to vaguely recall Chair Henry Way voting against one for a similar reason. He did not like where that was. It was a split decision.

Commissioner Baugh said that we had concerns that the County part of the development was not compatible with what we wanted to see in the City. I think I voted against it. There was some concern there and the County was not engaging as much.

Chair Finnegan asked Mr. Russ, is that agreement for this site a legally binding agreement that the City has to provide water?

Mr. Russ said probably not. There are letters back and forth. It is not horribly specific about anything, but it is a little bit more of a moral obligation agreement that we have from time to time. It seems to be similar to when we sign a contract for 5 years, we know that really it is for 1 year and we are hoping that City Council will approve a budget that would give us money that would pay for how many ever years.

Mr. Fletcher said to clarify the agreement Mr. Collins is talking about is the City and County agreement and then there is a separate agreement associated with this area and these parcels.

Chair Finnegan said yes that is the one I am talking about. We take votes on things, and I want to know sometimes are we even voting on something that we have any real say in or is this really legally obligated?

Commissioner Armstrong said it leads to the question of precedent too because that is your moral obligation. I think we have some moral obligation to abide by precedent. If we have done it this time, we should continue to do it. To what extent is that acting here does get called into play when we get subsequent project proposals. Like Commissioner Baugh said in our last meeting, there is a sea of commercial property up there. To what extent is this creating any sort of precedent?

Chair Finnegan said if we vote on a case-by-case basis, I don't feel locked into voting saying yes to this one and saying yes to the next one because they are all different

Vice Mayor Dent asked where is the line? If we approve this one, do we have to approve the one next door? Do we stop at the next one and let the County do what it has to do? That is just what makes me nervous about it. It seems to be a proliferation of the County tapping into our utilities.

Mr. Collins approached the stand and said with Friendship Industries is one of those you set precedence there. Not sure how many more of these properties are there. We have already served Friendship Industries under this agreement there might be more coming. I will have to go back and check how much has been served already.

Vice Chair Byrd said that the last meeting conversation was mostly around tabling. I kept most of my thoughts to myself so we could get questions answered. My thoughts on this are that this is an industrial use neighboring our industrial park. I see no issue there. The concern about the amount of water has been addressed, maybe 2 percent will be taken out of the 370 million. I see no issue there. We talked last month about how much of the City's border to the County is left that we have not even seen, to even have to deal with this subject in the first place. We have not had to review anything that was a track away from direct water. I would be in favor of this request.

Vice Mayor Dent said that answered my question. We have not. At this point, we have done neighboring properties right on the county line.

Vice Chair Byrd said I can only speak to what I have seen in my few years here. We were discussing that, and no one was bringing up any properties that would take away from the City's water line.

Chair Finnegan said I would tend to support this request with the caveat that properties with these utility hookups cross not only the City-County line, but cross the line with encouraging suburban sprawl. In a lot of ways, the annexation moratorium could be a blessing or a curse. In a lot of ways, it is a blessing because it encourages us not to sprawl out. I want to be careful that we are not encouraging suburban sprawl into the County. In this specific case I would support the request.

Vice Chair Byrd motioned to approve the request.

Commissioner Baugh seconded the motion.

Chair Finnegan called for a roll call vote.

Commissioner Armstrong	Aye
Commissioner Baugh	Aye
Vice Chair Byrd	Aye
Vice Mayor Dent	Aye
Chair Finnegan	Aye

The motion to recommend approval of the request passed (5-0). The recommendation will move forward to City Council on June 13, 2023.