



CITY OF HARRISONBURG COMMUNITY DEVELOPMENT

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August 29, 2024

**TO THE MEMBERS OF CITY COUNCIL
CITY OF HARRISONBURG, VIRGINIA**

SUBJECT: *Consider a request from MILA LLC for the City of Harrisonburg to provide water service onto property located at tax map number 108-A-29 within Rockingham County (Granite Farm)*

**EXTRACT FROM THE DRAFT MINUTES OF HARRISONBURG PLANNING
COMMISSION MEETING HELD ON: August 14, 2024**

Chair Finnegan read the request and asked staff to review.

Ms. Dang 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 denial. This request is for a non-residential connection; thus, Planning Commission review and City Council approval is required.

The Rockingham County portion of this development received City Council approval on April 27, 2004 for City public utilities (water and sanitary sewer) for a then proposed development of 285 single-family residential lots. The subject property was part of a rezoning approved by the County Board of Supervisors on October 25, 2006 from A2 to R3-Conditional. A copy of the 2006 Approved Rockingham County rezoning proffers is attached.

While the County's 2006 rezoning remains valid, the City's approval of the 2004 Public Utility Application approval is no longer valid and the property owner is required to seek new approvals for City public utilities before they can receive City services.

The Granite Farm project proposes up to 225 single-family detached units on approximately 87.79-acres located in Rockingham County and 4.16-acres within the City of Harrisonburg. (When the property was rezoned in 2006, the applicant proposed 285 units; when the public utility application was first submitted in 2022, the applicant proposed 242 single-family detached dwelling units with some additional units in the City of Harrisonburg. Since that time, the applicant is now proposing up to 225 single-family detached units all in Rockingham County.) The development is located

north of West Market Street (US Route 33), east of Switchboard Road, and west of Brickstone Court.

Water and Sanitary Sewer

In 2022, at the request of the Department of Public Utilities, the applicant prepared a sanitary sewer analysis that evaluated the existing sanitary sewer system and the proposed Granite Farm project. The purpose of the analysis was to model the addition of proposed flows from the project on the existing downstream sanitary sewer system. The analysis determined that Granite Farms would cause 1,999 feet of sanitary sewer lines, which are scheduled for replacement around 2060, to need upgraded sooner to coincide with the buildout of the development. An additional 252 feet of sanitary sewer lines will be added to the replacement schedule to coincide with the buildout of the development, and the expedited schedule would forego about 50-percent of the useful life of existing pipe. Through the Infrastructure Interconnection Agreement (attached herein), the applicant has agreed they must obtain approval of construction drawings for the sanitary sewer upgrades from the Department of Public Utilities prior to receiving approval of the engineered site plan from Rockingham County (agreement item #6) and to construct and dedicate to the City all offsite sanitary sewer improvements identified in agreement item #6 (agreement item #7). Agreement item #7 also allows the possibility for the Director of Public Utilities to approve share funding, schedule of payments, and substantial completion for partial improvement at the Director's discretion. At this time, the applicant has indicated they are willing to pay for and complete all engineering and construction necessary.

Additionally, water main extensions into the development will be installed by the applicant (agreement item #4) and the applicant will provide a 30-foot-wide public waterline easement as generally depicted in Exhibit A (agreement item #5).

Traffic and Transportation

A traffic impact analysis (TIA) was accepted by the Department of Public Works on April 23, 2024. The Infrastructure Interconnection Agreement provides the necessary mitigations to address the development's impact on existing City streets. Vehicular access to the site will be provided by an extension of Shenstone Drive and Stonechris Drive (both of which are existing public City streets) and a connection to Switchboard Road located in Rockingham County. In addition, the development will include a street stub and shared use path stub for connecting into future development on City tax map parcel 37-C-2.

Know that the design of streets internal to the development are regulated by Rockingham County and the Virginia Department of Transportation (VDOT).

Recommendation

Given that the Department of Public Utilities and Department of Public Works have determined that the applicant's commitment through the Infrastructure Interconnection Agreement to make necessary sanitary sewer, water, and transportation improvements is satisfactory, and that staff has no concerns from a land use planning perspective, we recommend in favor of the request.

Chair Finnegan asked on the public utilities part... It says to supply 15 million gallons of water per day, is that the estimated amount of draw?

Mr. Fletcher said let us have Mr. Gray come up just so he can clarify a lot of these. That is why we recommended that he join us this evening.

Dave Gray, Deputy Director of Public Utilities, came forward to speak to this request. He said what you are seeing there, the 15 million gallons is our business model for total buildout of the City. We are building a water system, in terms of water supply and treatment and delivery, for 15 million gallons a day. Our projection of the City's buildout is much less than that. We are building in...we have an agreement with Rockingham County that we have to provide to them wholesale, we have the City buildout, and then we have this excess capacity that is marketable. What this project would utilize is that marketable available water.

Vice Chair Byrd said when it says open market available, that number is the number you are referring to.

Mr. Gray said yes and that is what is available to us in our model the way we are building our system. We have this excess capacity and we are just looking what to do with it.

Chair Finnegan said this is in the memo "per their current zoning the calculated demand is much less, 1.75 MGD..." I am seeing a lot of numbers here and I am just trying to ask, what is the estimated draw of this development?

Mr. Gray said at the time of the application, I think it was 63 thousand. Their application that they turned in, which was 242 units, was about 63 [thousand] gallons a day.

Ms. Dang said it was 62,920 [gallons a day].

Mr. Gray said that table shows we have 370,000 available and they are asking for 63 [thousand gallons a day].

Chair Finnegan said you or your department do not have concerns about this impacting...my biggest question is this might be okay for now but 10, 20, 30 years down the road we are in a drought and oh shucks we cannot provide water to the people in the City. I guess I am trying to get a sense of how easy is it to predict how much water the City is going to need and our ability to continue to serve the residents of the City.

Mr. Gray said I will go back to the 15 million gallons a day, that is what we are building a system for. That number that you were referencing that talked about different land use, we know what our existing demand is. We know what lands are undeveloped and City staff got together and we said okay, well if the undeveloped lands develop based on zoning, that gives us one number of what we need to reserve for future capacity. However, [Future] Land Use is a different animal. Land Use gives us a different number and then there is this question of which number is right. We have built this around the assumption that the Land Use is really the way things are going to go. The City wants to see things grow that way, so that is what we built our model around. That is why

you see the different numbers on the table, depends on which way things go. If things go the way we want, buildout the way we expect them to, we are going to have this excess capacity. We are building our raw water supplies, our water treatment plant, everything is built to deliver 15 million gallons a day. In non-drought scenarios we have our Shenandoah River source available, we have 34 million gallons a day available. Build a plan for 15 [million gallons a day] but we have 34 [million gallons a day] available. If we look back at the drought of '02 and we look at our water withdrawal permit restrictions, we are looking at 11.6 [million gallons a day] as what is available during the worst drought we have seen but we have a contingency plan for that. We are working on a project for some offline storage, which is kind of like a savings account. We have that 34 million excess that is set aside and when we need it, we will put it, we will use it and then we will put it back. It is a large offline storage project to kind of buffer that. It is almost a belt and suspenders approach. To answer your question, we feel pretty comfortable that we are going to be able to deliver the 15 [million gallons a day].

Vice Chair Byrd said I just wanted to make sure that I was understanding the table provided. It says drought season peak, is that what you are referring to? Is that what you are working on to make sure you have things set aside...

Mr. Gray said it has been a long time since Mr. Collins prepared that. I do believe that is what that is. We have normal domestic demands and then what we are seeing right now is increased demands because of drought or water irrigation.

Vice Chair Byrd said if City Council approved it then its amount would be removed from the open market, and it would be moved to rural water sales? Current rural water sales are .88 MGD.

Mr. Gray said that is a little bit of an older number, again this was written in 2022. The Director and I looked today and in fiscal year '24, which we just closed out, we sold 830 thousand gallons to rural customers last year. That generated \$1.8 billion in revenue to the City's water fund. There is a reason we like to sell water to the County customers; it is a big revenue source for us.

Vice Mayor Dent said as I sort of understand it, water is not the problem we are concerned about. We are looking at this huge new raw water supply. A possible tighter constraint is the sewer capacity. What can you say about that?

Mr. Gray said our allocation at HRRSA [Harrisonburg Rockingham Regional Sewer Authority?] right now is 12.8. Our buildout projection for the entire City is 10.5million gallons a day. That gives us some capacity to work with. You are right that the sewer system, I liken it to the I&I which you have heard us talk about, the infiltration and inflow, that wild water gets its way into the sewer. It is kind of like a thief, it steals our capacity and that is what we are fighting constantly, that is just typical of anyone operating a sewer system.

Vice Mayor Dent said is that why we want better stormwater management for example, so it does not infiltrate the sewer?

Mr. Gray said it is not tied to that. This is just an effect of an aging infrastructure.

Mr. Fletcher said and maintenance of existing facilities.

Mr. Gray said some of the City's system was built in the 1870s, very old stuff. There are things that we can do to renovate it and rehab it in place, some of it has to be remove or replaced. As it ages, cracks develop. Stuff was built with brick manholes, sometimes water finds its way in. Our charge is to find those places that it is coming in and seal them up and get it back out. We would rather sell that sewer capacity to a customer and not pay to treat that wild water at HRRSA. Everyday we are chasing that wild water out of our system.

Chair Finnegan said on the point of future upgrades, they are going to pay for some of the upgrades that are needed to take water to this. What is the lifespan of that? Let us say in a couple years it is built. It is brand spanking new, they put it in, how long until it needs to be replaced?

Mr. Gray said that is hard to say. We anticipate a 100-year service life is pretty typical for us but that is 100 years we are collecting this revenue. That revenue has that component of replacing those assets as they age.

Chair Finnegan asked if there were any other questions for staff.

Commissioner Baugh said this is something that I did not know until I was on Council that your water and sewer money goes for water and sewer. They do not take excess money and allocate it. You can in sort of lump sums at time or two in years where you have actually seen a buildup, I think that has actually happened a time or two. This is not part of the general revenue from a budgeting standpoint. Enterprise fund was the term I was looking for, the money that you pay for this goes into a system that is dedicated to this that includes maintenance long term for replacement, expansion, all of that stuff. It is not a part of the general budget.

Vice Mayor Dent said the idea of an enterprise fund is a sort of self-funded, utility subdivision of the City. They fund themselves by water rates. It is interesting to hear "we want to market this water" okay, fine if that works for you. It is run like its own business in that way.

Chair Finnegan said it is not a public hearing, but you are welcome to speak if there is anything you would like to add.

Bryan Lily with Dewberry, applicant's representative, came forward to speak to the request. He said I think staff did a good job of representing the application. Dave Gray gave some good information on the numbers so nothing really to add but if you have any questions, we are here.

Chair Finnegan asked if there were any questions for the applicant's representative.

Vice Chair Byrd said I will make a motion to approve the public utility application request as submitted by the applicant.

Commissioner Nardi seconded the motion.

Chair Finnegan called for a roll call vote.

Commissioner Nardi	Aye
Commissioner Baugh	Aye
Vice Chair Byrd	Aye
Vice Mayor Dent	Aye
Commissioner Alsindi	Aye
Chair Finnegan	Aye

The motion to recommend approval of the public utility application request passed (6-0). The recommendation will move forward to City Council on September 10, 2024.