

Stafford County Utilities Commission

Meeting Minutes

February 14, 2012

I. Call to order

Chairman Bill Tignor called to order the regular meeting of the Utilities Commission at the Stafford County Government Center on February 14, 2012 in the A, B, C Conference Room.

II. Roll call

Cheryl Giles conducted a roll call. The following persons were present: Joyce Arndt, David Bohmke, Rick Carroll, Lloyd Chittum, Bob Gibbons, Danny Kim and Bill Tignor. Deputy County Administrator, Keith Dayton also attended the meeting. Harry Critzer, Dale Allen, Bryon Counsell, Janet Spencer, Deidre Jett and Cheryl Giles were present for the Utilities Department.

III. Public Presentations

Paul Waldowski of 8 Pickett Lane commented that he sent an e-mail about the county's ordinance for provision of water and sewer within subdivisions to members of the Utilities Commission. Mr. Waldowski stated that he had spoken with his district supervisor, Jack Cavalier, with regards to the county providing water and sewer maintenance for Stafford Meadows.

Mr. Carroll asked if a response had been received from the Stafford Meadows HOA. Mr. Critzer responded that no response had been received.

IV. Approval of minutes from last meeting

The January 10, 2012 minutes were approved as written.

V. Commission Members' Comments

Mr. Chittum expressed concern about the ratio of customers currently serviced by utilities covering the cost of the Rocky Pen Run Reservoir (RPRR) project.

VI. Director's Report

Mr. Critzer reported the following items:

- The Roseville Plantation Waterline Extension project has been completed. Letters will be mailed out within the next week to notify the project participants.
- For the past three years, the Golden Tap Award banquet has not been held and staff has presented the award to the recipient at a Board meeting. Staff requests the Commission's recommendation on how to proceed with the Golden Tap Award banquet. Mr. Carroll made a motion to recognize the Golden Tap Award recipient, but continue to forego the banquet. The motion was seconded by Mr. Kim and passed unanimously. Staff will provide nominees for the award at the March 13th meeting.
- Five companies have been contacted about leasing vehicles, but no responses have been received from any of those companies.

Mr. Gibbons made a motion to add an item to the new business section of the agenda regarding the substitute environmental mitigation plan for RPRR. The motion was seconded by Mr. Kim and passed unanimously.

VII. New Business

1. Contract Amendment for Borrow Area-9

Construction Project Administrator, Bryon Counsell, provided a background report about the contract amendment for Borrow Area-9 to Schnabel Engineering. Mr. Counsell explained that the

contract needed to be amended due to additional stockpiling of core material to meet the demands of the project for the amount of \$221,800.

Discussion ensued regarding the original cost of the work. Commission members expressed concern about the amount for the additional services for the contract amendment. Mr. Counsell explained that we are still within the budgeted amount for the work that occurred.

Mr. Gibbons recommended that staff have a set of procedures in place to get approval prior to completing a change order for additional services that extend the original contract amount.

Mr. Bohmke recommended staff formulate a better mechanism for identifying leeway within contracts for additional costs.

Mr. Tignor suggested staff provide a financial overview of the RPRR project at the Commission's monthly meeting.

Mr. Gibbons made a motion to recommend proposed resolution R12-38 and the change order for the Borrow Area-9 in proposed resolution R12-18. The motion was seconded by Mr. Chittum. After additional discussion, the motion was amended by Mr. Gibbons to recommend R12-38 only. The motion was seconded by Mr. Chittum and passed with a 7-0 vote.

2. Award Contract for Walnut Grove Improvements

Mr. Counsell provided a background report about the contract for the Walnut Grove Drive Improvements project.

Mr. Carroll asked for clarification about the overflow capacity of the dam. Mr. Counsell responded that if the dam is at overflow capacity it would flood the roadway and isolate the properties.

Mr. Gibbons inquired if quick-take and condemnation of the three properties would have been feasible. Mr. Counsell responded that the county would have needed to purchase all or part of three additional properties on Walnut Grove Drive and access would have been cut off to those properties.

Mr. Gibbons made a motion to recommend proposed resolution R12-37. The motion was seconded by Mr. Kim and passed with a 7-0 vote.

3. Acquire Property for the Rappahannock River Intake Project

Mr. Critzer explained that the County Administrator requested the item be deferred because negotiations are being pursued with the owners. Mr. Gibbons made a motion to defer the item until further information is received. The motion was seconded by Mr. Carroll and passed with a 7-0 vote.

4. Substitution Environmental Mitigation Plan

Mr. Tignor asked Mr. Counsell to explain what an environmental mitigation plan is. Mr. Counsell responded it is when any type of land improvement causes an environmental impact and some type of mitigation or service has to be completed to offset the impact.

Mr. Counsell provided background information about the current mitigation plan elements and explained that staff is pursuing replacement of the existing plan with an alternate plan that will benefit the county in several areas. Typically, when a mitigation plan cannot be created, an in-lieu fee would be assessed on the applicant. The in-lieu fee is based upon the market price for stream

credits. It is estimated that an in-lieu fee for the impacts at RPRR would be between \$30M and \$50M.

Staff is requesting the county commit to the required restrictions that will be placed on approximately 170 acres of county-owned land, which abuts the Rappahannock River near the proposed dam.

Mr. Gibbons asked about the value of the 170 acres. Mr. Dayton responded that all of the property is located in the buffer or flood plan of the river, which would restrict development. The county had to purchase it because it was in the inundation zone. It has no value as far as development is concerned.

Mr. Gibbons asked if the additional properties would be acquired prior to construction of the dam. Mr. Dayton responded that the properties would be acquired before filling of the reservoir, but not before construction of the dam. Mr. Counsell stated that the filling of the reservoir is projected to begin in early spring 2014.

Mr. Gibbons made a motion to recommend proposed resolution R12-59 to the Board. The motion was seconded by Mr. Kim and passed unanimously.

5. **Contracts for Master Water and Sewer Plan**

Mr. Allen reported proposals had been solicited to update the 2005-2006 Master Water and Sewer Plan. The updates would take into consideration the changes of the Land Use Plan and the Comprehensive Plan that were recently adopted by the Board. The Master Water and Sewer Plan has been divided into two components. The first phase would consist of model updates and creating better ways to provide water and sewer service. The second phase would consist of a peer review of the draft master plan and cost estimating. O'Brien & Gere would complete the first phase at an estimated cost of \$87,580. CH2M Hill would complete the second phase at an estimated cost of \$75,100. Both amounts are within the County Administrator's approval authority.

Mr. Kim asked how long it would take to complete the updates. Mr. Allen responded it is a six to seven month long process.

VIII. Old Business

1. **Award Contracts For Construction and Construction Management Services**

Mr. Counsell provided a background report about the contract for construction of the RPRR dam.

Mr. Gibbons asked how much has been budgeted for construction of the dam. Mr. Counsell responded \$38M has been budgeted for construction. All of the Borrow-Area 9 and the additional services for \$220,000, the original contracted amount and the additional services were within the \$38M budgeted for construction of the dam. The total construction cost thus far is \$33M. The mitigation has a separate line item and was not included with the dam construction.

Mr. Gibbons requested the budget line items for construction and mitigation costs be e-mailed to him.

Mr. Tignor inquired about the contract with Haymes Brothers with regards to how the construction progress is monitored and if there are penalties for exceeding the completion date of the contract. Mr. Counsell responded that a detailed critical path method schedule is required and Haymes

Brothers would be assessed liquidated damages of \$12,500 per day for each day the contract is exceeded.

Mr. Gibbons asked what the total cost for the reservoir, dam construction and the water treatment facility. Mr. Counsell responded the total budgeted cost is \$125M. Mr. Tignor suggested staff provide a financial synopsis of the RPRR project each month.

Mr. Gibbons made a motion to recommend proposed resolution R12-18 to the Board. The motion was seconded by Mr. Chittum and passed unanimously with a 7-0 vote.

2. Consider Execution of a Lease for the Department of Utilities

Mr. Critzer reported staff has identified an office space that is closer to the Government Center. We currently pay \$24 per square foot. At the new location, we would pay \$14 per square foot plus about \$1.49 per square foot to cover the \$50,000 common area. It would provide us with an annual cost savings of about \$32,000.

Mr. Tignor asked if there are accessibility issues at the new location. Mr. Critzer responded there are currently no issues for accessibility to the building.

Mr. Carroll asked how many years would the lease be for. Mr. Critzer responded the lease would be for five years initially and then for an additional three one-year options.

Mr. Gibbons made a motion to recommend proposed resolution R12-21 to the Board. The motion was seconded by Mr. Kim and passed unanimously with a 7-0 vote.

3. Courthouse Area Water Tank

Mr. Allen highlighted information from the background report.

Mr. Chittum inquired about the proffers the Stafford Hospital has with the County for the site. Mr. Allen responded that negotiations are being handled by Tim Baroody and Economic Development.

Mr. Carroll asked if the water tank was needed because of construction of Stafford Hospital. Mr. Allen responded the water tank is not needed because of construction of the hospital but to develop a high pressure zone in the Courthouse area.

Discussion ensued about where the water tank would be located and about the value of the land, Mr. Chittum made a motion to not recommend proposed resolution R12-48. The motion was seconded by Mr. Kim. Following additional discussion, the motion was amended to recommend the Board cancel the public hearing until additional information could be provided. The motion passed with a 6-1 vote. Mr. Tignor was the opposing vote.

Mr. Allen asked the Commission for the type of additional information they would like provided at the next meeting. Mr. Carroll responded he would like to know how much it would cost to connect from the proffered hospital site to the water main. Mr. Kim suggested staff look at other options on presenting an offer to Mr. Walchester.

4a. CIP Program

Commission members recommended that a work session be tentatively scheduled for February 28th at 7:00pm to allow additional time to discuss the CIP program prior to it being presented to the Board.

4b. Financial Overview

Ms. Jett reported that year-to-date operation revenue is 2.5% below budget due to a decline in water demand. The decline in water demand is not just in Stafford but throughout the country. Availability and pro rata revenue are meeting our budget goals. For FY2013, the Board approved an 8% rate increase. Staff will be proposing a \$2,000 increase in the sewer availability fee.

Ms. Jett recommended that after the Master Water and Sewer Plan is completed, a cost of service study should be done. A cost of services is justification for restructuring the rates. The last cost of services was completed in 2005.

Ms. Jett briefly provided a bond update and highlighted three scenarios for the rate increase to comply with the Fiscal Policy. Commission members were asked to keep in mind the following items for future consideration: a cost of services study, rate revisions, a life-line rate for vulnerable populations and budget payment plans.

IX. Adjournment

Mr. Tignor adjourned the meeting at 9:30pm.

Minutes submitted by:



Danny Kim,
Recording Secretary