

Stafford County Utilities Commission
Meeting Minutes
January 14, 2014

I. Call to order

Chairman Bill Tignor called to order the regular meeting of the Utilities Commission at the Stafford County Government Center on January 14, 2014 in the ABC Conference Room.

II. Roll call

Cheryl Giles conducted a roll call. The following persons were present: Joyce Arndt, DaBora Lovitt, John Harris, and Bill Tignor. Dale Allen, Janet Spencer, Deidre Jett, and Cheryl Giles were present for the Utilities Department.

III. Election of Officers

Mr. Tignor made a motion that current officers remain the same until members are appointed to the vacant positions. The motion was seconded by Mr. Harris and passed with a 4-0 vote.

IV. Public Presentations

There were no public presentations.

V. Commission Members' Comments

Mr. Tignor expressed his concern about members' absenteeism and how it should be addressed. Mr. Harris suggested having the County Attorney review the issue and/or asking the Board of Supervisors to address the issue. Ms. Lovitt suggested amending the by-laws to stipulate that after a certain amount of unexcused absences, the Commission vote upon how to handle the member's absenteeism. Mr. Harris stated that because members are appointed by Supervisors, how to address the issue should be handled by the County Attorney.

Mr. Tignor asked staff to contact the County Attorney and County Administrator about addressing the issue of Commission members' absenteeism.

Mr. Harris commented that when weather gets warmer, a tour of the facilities should be scheduled.

VI. Director's Report

Ms. Spencer reported the following items:

- ❖ The Operating budget and Capital Improvement Program (CIP) will be sent out for review prior to the February 11th meeting.
- ❖ Nominations for the Golden Tap Award are due by January 31, 2014. The Golden Tap Award is an award that is given to someone who has made a significant impact or contribution to the Utilities department.
- ❖ The Pump and Haul Program and the Terminal Reservoir Ordinance will be topics of discussion at upcoming meetings.

VII. New Business

Approve a Public Hearing for Cellular Antenna Lease

Ms. Spencer reported that Cingular Wireless proposed to lease space at the Stone River Water Tank for its communication equipment. The initial lease would be for a five year period with four automatic five year renewals. Cingular Wireless would pay a monthly lease payment of \$2,850 for the first year of the lease. In subsequent years, the lease payments would increase by 3%.

Mr. Tignor asked if there are other water tanks in the County that lease space for communication equipment. Ms. Spencer responded that there are no other water tanks in the County that lease space for communication equipment.

Mr. Tignor asked how often Cingular Wireless would have access to the water tank. Ms. Spencer responded that it would probably be no more than once a month. The lease does stipulate that Utilities be notified prior to Cingular accessing the tank and that Cingular would be responsible for any overtime hours incurred by the Utilities staff for those visits.

Mr. Harris inquired if the addition of the antenna on the water tank would impact the height restrictions. Mr. Allen responded the addition of the antenna would not impact the height restrictions.

Ms. Lovitt asked if there are other options available for Cingular Wireless to use. Ms. Spencer responded that staff proposed to Cingular Wireless to consider our newest water tank that was constructed, but Cingular stated that tank would not meet their current needs. The dead zone they were hoping to address could not be met using the new water tank.

Mr. Harris made a motion to recommend authorizing a public hearing on the proposed lease of County property at the Stone River Water tank site. The motion was seconded by Ms. Arndt and passed with a 4-0 vote.

Execute a Contract Renewal for an Odor Control Chemical

Ms. Spencer reported that the contract is a renewal for magnesium hydroxide, which is used at the pump stations and at the Aquia Wastewater Treatment Facility. It helps to reduce damage caused by hydrogen sulfide gas and eliminates odors. The current contract is with Premier Magnesia and has a provision for four one-year contract renewals. The contract renewal is in the amount of \$315,522.

Mr. Tignor asked if the contract was in line with last year's contract and why the Little Falls Run WWTF was not included in the report. Ms. Spencer responded that the contract is in line with last year's contract and that Little Falls Run WWTF was not included in the report because it is benefitting from the chemicals that are being added at the pump stations.

Ms. Lovitt asked if there were other bids for the contract. Ms. Spencer responded that there are two major suppliers for the magnesium hydroxide chemical and Premier Magnesia was the most competitive bid.

Mr. Harris made a motion to recommend approval of a contract renewal with Premier Magnesia for an odor control chemical. The motion was seconded by Ms. Arndt and passed with a 4-0 vote.

VIII. Unfinished Business

Bond Issuance and Proceeds

Ms. Jett reported that applications are due to Virginia Resources Authority (VRA) on February 7, 2014. The first series of bonds will be issued by VRA in May 2014 for \$16M. The financing agreement will go to the Board of Supervisors for approval in March, 2014.

Fiscal Year-to-Date Financial Overview

Ms. Jett reported the operating revenue is projected to be about 3% below what was budgeted. This is partly due to a 9.5% rate increase that was budgeted to begin in July 2013, but we received an 8% rate increase that began in November 2013. Water consumption continues to decline; however, availabilities revenue is very strong. We budgeted 500 EDUs for July 1, 2013 to June 30, 2014. At the end of December, 2013, we had 441 EDUs for water availabilities and 404 EDUs for sewer. We expect to be about 40% over what was budgeted. The operating expenditures are in line with what was budgeted. As of date, \$19M has been spent on capital projects. We expect to spend about \$40M by year's end on capital projects.

Mr. Tignor inquired about the timeframe for the filling of the reservoir. Mr. Allen explained that the plug installation has begun and the stream flows have begun to fill the reservoir. It will continue to fill in at a slow rate until the majority of the plug is put in. It can be filled up to elevation 147 and then the dam has to be monitored. The dam is substantially complete and the water treatment plant substantially complete contractual date is February 1, 2014, but staff projects it will be completed six months later.

Mr. Harris asked if there are performance requirements for the contractor. Mr. Allen responded that liquidated damages are in place for every day the project is late. Those funds will be used to pay the engineer that oversees the project so it's not a windfall for the department.

Mr. Harris inquired if the recreational aspects would be incorporated at the reservoir by the summer. Mr. Allen responded the Dept. of Game and Inland Fishery plans to stock the reservoir in the spring as the water level rises. The County also has money for a boat ramp for boat access to the reservoir.

Rocky Pen Run Project Financial Overview

Ms. Jett reported that in December, \$2.5M was spent on the project. In January, about \$6M is expected to be spent. Bids for the mitigation projects came in higher than estimated, which caused the potential mitigation savings to decrease from \$500,000 to \$118,000. There will also be potential savings of \$686,000 for liquidated damages, which equates to 196 days at \$3,500 per day.

Adjournment

There being no further business, Mr. Tignor adjourned the meeting at 7:45PM.

Minutes submitted by:



Joyce Arndt,
Recording Secretary