

**Stafford County Utilities Commission**  
**Meeting Minutes**  
March 11, 2014

**I. Call to order**

Vice-Chairman Joyce Arndt called to order the regular meeting of the Utilities Commission at the George L. Gordon, Jr. Government Center on March 11, 2014 in the ABC Conference Room.

**II. Roll call**

The following persons were present: Joyce Arndt, Alan Glazman, John Harris, and DaBora Lovitt. Jeffrey Dunn attended to achieve a quorum, but left when a quorum was achieved due to a prior commitment. Harry Critzer, Janet Spencer, Dale Allen, Deidre Jett, and Cheryl Giles were present for the Utilities Department.

**III. Public Presentations**

There were no public presentations.

**IV. Approval of Minutes**

The March 11, 2014 minutes were approved as written.

**V. Commission Members' Comments**

Commission members had no comments.

**VI. Director's Report**

Mr. Critzer reported the following items:

- A sample label for bottled water for the Stafford County's 350<sup>th</sup> Anniversary Celebration was shown. 1,200 gallons of water will be taken to a bottling company in Alton, VA. The bottling company will provide 5,760 water bottles at a cost of \$0.31 per bottle.
- A Notice to Proceed was issued for the 342/480 waterlines.

Mr. Critzer requested the addition of the following two items to the agenda for discussion: Delinquent Account Collections and Pro Rata Credit Agreement with SALP.

**VII. New Business**

**Authorize Issuance and Sale of Revenue Bonds**

Ms. Jett reported that in September of 2013, the Board authorized the issuance of bonds. Proposed resolution R14-58 covers the first series of bonds to be issued. An application has been submitted to Virginia Resources Authority (VRA) for \$17,250,000. The projects that are included in the spring 2014 bond sale are as follows:

- 480 Zone/342 Zone – Phase 3 Water Lines
- Celebrate Virginia Water Tank
- Austin Run Pump Station
- Old Route 3 Pump Station
- Falls Run Interceptor & Pump Station

Ms. Lovitt asked what response was received from citizens when the public hearing was held. Ms. Jett responded there were not very many speakers. A couple of citizens spoke in favor of the bond proceeds.

Mr. Harris made a motion to recommend approval of proposed resolution R14-58. The motion was seconded by Mr. Glazman and passed with a 4-0 vote.

**Proposed Lease Agreement for Cellular Communication Facility**

Mr. Critzer reported a public hearing is scheduled to be held at the March 18<sup>th</sup> Board of Supervisors meeting. New Cingular Wireless proposes to lease space to place communication equipment on the Stone River Water Tank and will pay monthly lease payments of \$2,850 for the first year of the lease. Staff had security concerns about their personnel having access to the tank, so the lease includes a clause that they must notify County staff prior to entering the site.

Mr. Glazman asked if the monthly lease payment is a typical amount received for leasing space on a water tank. Mr. Critzer responded that staff contacted other localities. Fairfax County responded they receive \$3,000 per month and Spotsylvania County responded they receive \$2,850 per month.

Mr. Harris made a motion to recommend approval of proposed resolution R14-20. The motion was seconded by Mr. Glazman and passed with a 3-1 vote. Ms. Lovitt abstained from voting.

**Delinquent Account Collections**

Mr. Critzer reported the Department of Utilities has a number of delinquent accounts that have been closed and that staff has a difficult time in locating because the customer has moved out-of-state. As a way of enhancing our collection process, staff would like to start using a collection agency. The Utilities Department would generate a collection letter to the customer twenty-six (26) days after the customer has been sent a final bill. If a payment has not been received within twenty-one (21) days, the account would then be turned over to the collection agency. Collections made by the collection agency would be at no cost to the County. The collection agency's revenue would come from a 20% fee added to the customer's bill. Currently, staffs from Utilities, the County Attorney's office, the Sheriff's Department, and the court system are involved in processing the delinquent accounts. If the use of a collection agency is approved, use of those departments would be greatly reduced.

Mr. Harris asked if it would be prudent to file a lien against the customer's property. Mr. Critzer responded that a lien could be used only if the customer owned property in the county. Utilities also participates in the program where the delinquent amount could be taken from the customer's state tax refund.

Mr. Glazman asked if staff decides to use the collection agency, would other options (i.e. a lien, Sheriff's Office, etc.) still be available to use. Mr. Critzer responded that all options would still be available.

Ms. Lovitt asked if the costs generated by delinquent accounts are substantial enough to discontinue processing the collections in-house. Ms. Jett responded that the write-off for delinquent collections is about \$200,000 annually. With the collections agency, there is a greater opportunity of receiving the revenue and it is less costly.

Mr. Harris made a motion to recommend to the Board of Supervisors, if applicable, approval to start using a collection agency to process delinquent accounts. The motion was seconded by Ms. Lovitt and passed with a 4-0 vote.

**Pro Rata Credit Agreement with SALP**

Mr. Critzer reported that Utilities has a Pro Rata Water and Sewer Program that is designed to spread the offset of the cost of water and sewer infrastructure to developers and subdividers. In 2003, a Water Pro Rata Credit Agreement was signed by Stafford Associates Limited Partnership (SALP). SALP agreed to pay \$1,000,000 toward the construction of a water storage tank included in the Water & Sewer Master Plan. It provided for SALP to obtain credit for the cost of the tank toward any pro rata payment they would owe for the development of Augustine Central, which is now Colonial Forge. It also provided for SALP to receive first priority for reimbursement of pro rata credits from future pro rata fees developers paid in Augustine South. Any payments to SALP were to be made in accordance with the County's pro rata policy. A ten (10) year reimbursement clause was included in the agreement. The agreement expired on December 31, 2013. In 2004, a proffer was completed and one of the key additions was that the \$1,000,000 payment would be due prior to the issuance of the occupancy permit for the 354<sup>th</sup> residential unit. Due to the economic downturn, construction of the 354<sup>th</sup> unit did not occur until 2012. The balance of credits available to SALP amounts to \$937,287. Staff estimated that an additional \$107,740 in credits could be applied to pro rata fees for Colonial Forge, which would leave about \$829,547 in unused credits. SALP has requested that we extend the reimbursement clause to allow more time for potential reimbursements.

Staff recommends asking the Board to extend the reimbursement clause for another nine (9) years from December 31, 2013 or until December 31, 2022.

Discussion ensued. Mr. Harris expressed concern about the precedent it would set and the modification of the Pro Rata Credit Agreement by SALP.

Mr. Harris made a motion to ask the County Attorney's Office to review the current proposal. The motion was seconded by Ms. Lovitt and passed with a 4-0 vote.

**VIII. Unfinished Business**

**Rocky Pen Run Project Financial Overview**

Ms. Jett reported that the project is nearing completion. In March, about \$3M is expected to be spent.

**Adjournment**

There being no further business, Ms. Arndt adjourned the meeting at 7:55PM.

Minutes submitted by:

*DaBora Lovitt*

DaBora Lovitt,  
Recording Secretary