

**Stafford County Utilities Commission**  
**Meeting Minutes**  
April 8, 2014

**I. Call to order**

Chairman Bill Tignor called to order the regular meeting of the Utilities Commission at the George L. Gordon, Jr. Government Center on April 8, 2014 in the ABC Conference Room.

**II. Roll call**

The following persons were present: Joyce Arndt, Alan Glazman, DaBora Lovitt, and Bill Tignor. 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:

- Ms. Jett's last day with the Utilities Department will be April 11<sup>th</sup>. She has accepted the Public Finance Manager position with the Virginia Public School Authority.
- The Rocky Pen Reservoir water elevation is currently at about 170 feet. When it is full, the elevation will be 226 feet. The engineer has given the go ahead to continue filling the reservoir at no more than 1 foot per day until it reaches an elevation of 180 feet. It should take about 16 days to reach the elevation of 180 feet. At that point, an analysis of instrumentation monitoring has to be completed before filling the dam any higher.
- Testing of the pump station that pumps water from the reservoir to the water treatment facility is scheduled to begin on Monday, April 21, 2014.
- The current volume of water in the reservoir is about 525 MG, or about 9.5% full. When elevation of 180 feet has been reached, the volume of water will be about 920 MG, or 16.7% full.
- The Water Treatment Facility completion date is still behind. The projected completion date is October/ November, 2014.

Mr. Glazman asked why the Water Treatment Facility completion date has been delayed. Mr. Allen responded that slow progress coupled with construction quality issues are the causes for the delay.

## **VII. Unfinished Business**

### **Rocky Pen Run Financial Overview**

Ms. Jett reported that in March, almost \$135,000 was spent. In April, \$1M is expected to be spent. The majority of spending that remains is for the mitigation projects and for the Water Treatment Facility.

### **Operating and CIP Budgets**

Ms. Spencer provided a comparison of the expenditures and revenues for the FY2014 and FY2015 budget. A projected ten year overview of the CIP was also highlighted. The total projected cost over the next ten years for CIP projects is \$159M. On Tuesday, April 15<sup>th</sup>, the Board will hold a public hearing on the proposed budget.

Mr. Tignor inquired if staffing for the Rocky Pen Run water treatment facility would require additional costs. Mr. Critzer responded that additional staff would not be required because staff from Abel Lake WTF would be used; however Utilities may request another mechanic for the facility next year.

Mr. Tignor asked if revenue from availability fees were enough to cover the budget. Ms. Jett responded that there is no projected surplus of revenue for operation costs, but availability revenue has come in significantly higher than projected. For 2014, we projected to have \$5.2M in availability revenue and we currently have \$6.03M in availability revenue. For FY2014, we could potentially have \$8.0M in availability revenue.

Mr. Glazman inquired about the reduction in the rate change from FY16-FY19. Ms. Jett explained that debt service is not covered through operations revenue but is covered through the one-time availability payments. In 2010, our financial consultant advised us to have operating revenue cover debt service because it would show that we do not rely on one-time availability payments and that we are reinvesting in our system. In order to get to the one-time coverage, we would need to have our revenues exceed our expenditures by the amount of debt service. That is why the rate increases, until 2018, are higher than the rate of inflation.

Mr. Tignor asked what portion of cash was used to pay for the Rocky Pen Run Reservoir project. Ms. Jett responded that about \$60M - \$70M was bonds financed and the remaining amount was financed in cash.

Mr. Tignor made a motion to recommend the proposed Operations and CIP budget to the Board. The motion was seconded by Ms. Lovitt and passed with a 3-1 vote. Mr. Glazman abstained because he desired additional time to review the information.

### **Pro Rata Credit Agreement with SALP**

Mr. Critzer reported that this item was presented at the last Utilities Commission meeting and was deferred until the County Attorney's Office reviewed the current proposal. An overview of the Pro Rata Agreement with SALP was provided. On March 25<sup>th</sup>, staff discussed the matter with the Deputy County Attorney and he stated that asking the Board to extend the first agreement was not a good idea because other developers may try to use it as a precedent. The Deputy County Attorney recommended against any extensions of the agreement, but stated the Commission could choose to recommend an extension of the SALP Pro Rata Agreement.

Mr. Critzer stated he recommends asking the Board to extend the reimbursement clause because the developer did pay his fair share of the pro rata fees for the development and paid \$1M for the water storage tank. The developer owed a portion of the cost, but not the entire cost of the water storage tank and there were extenuating circumstances related to the agreement.

After some discussion about the agreement, Mr. Critzer suggested the item be deferred until Mr. Harris could be in attendance at the meeting because Mr. Harris had previously expressed concern about the precedent it would set.

Members agreed to defer the issue until the next meeting.

### **Pump and Haul Program**

Mr. Allen provided an overview of the Pump and Haul Program and highlighted the subsidized and unsubsidized policies criteria for applicants.

Mr. Glazman asked if there are other counties that have a pump and haul program. Mr. Allen responded that Fairfax County has a very limited program for a permanent pump and haul program.

Ms. Arndt commented that the word “subsidize” needs to be eliminated from the program because when applicants see the word “subsidize”, they assume their pump and haul service will be subsidized.

Mr. Tignor asked if staff evaluates the applicant’s criteria prior to the application coming before the Commission for a recommendation. Mr. Allen responded that each application comes before the Commission with an evaluation in accordance with the criteria policy.

Mr. Glazman asked how many subsidized and unsubsidized customers we currently have. Mr. Allen responded we currently have 31 subsidized customers, although all of them are not active, and about 15 unsubsidized customers.

Mr. Critzer distributed a draft copy of a new pump and haul policy for members to review for discussion at the next meeting.

### **Adjournment**

Mr. Critzer inquired if members would be interested in a tour of Rocky Pen Run Reservoir at the May 13<sup>th</sup> meeting.

There being no further business, Mr. Tignor adjourned the meeting at 8:15PM.

Minutes submitted by:

*DaBora Lovitt*

DaBora Lovitt,  
Recording Secretary