

Stafford County Utilities Commission
Meeting Minutes
February 9, 2016

I. Call to order

Chairman Joyce Arndt called to order the regular meeting of the Utilities Commission at the George L. Gordon, Jr. Government Center on February 9, 2016 in the ABC Conference Room.

II. Roll call

Members Present: Joyce Arndt, Alan Glazman, Mickey Kwiatkowski, Mike Makee, and Bill Tignor

Members Absent: DaBora Lovitt; Hartwood District seat is vacant.

Staff Present: Mike Smith, Dale Allen, Janet Spencer, Hope Bullard, and Cheryl Giles

III. Public Presentations

There were no public presentations

IV. Approval of Minutes

The January 12, 2016 minutes were approved as written.

V. Commission Members' Comments

Mr. Tignor inquired about the contaminated water issue in Flint, Michigan. Mr. Smith responded that the water source they switched to was more corrosive. To save money, they chose not to add a corrosion inhibitor. The corrosion inhibitor is used to line pipes and keep metals from leaching out of the pipes and disintegrating them. Stafford County has no lead pipes in our system. We do have some in older homes that have lead solder, but corrosion inhibitors are added to the water to prevent leaching and the homes are annually tested for lead.

VI. Director's Report

Mr. Smith reported the Lake Mooney reservoir is full and requested that an item be added to the agenda under New Business with regards to the CIP and proposed budget. It is an update on what was presented at the Board's Retreat. Mr. Smith requested the commission review the information for discussion at the March 8th Commission meeting, and plan to hold a public hearing on March 22, 2016.

Mr. Tignor commented he would be out of town on March 22nd and would not be available to attend the public hearing. Mr. Smith suggested holding the public hearing on March 29th. Ms. Arndt replied she would be out of town on March 29th. Mr. Smith then suggested holding the public hearing on Thursday, March 24th. The Commission members agreed to hold the public hearing on March 24th.

VII. New Business

Authorize Vacation of Easements as a Part of a Sewer Maintenance Project on Cornwallis Drive

Mr. Smith reported a vacation of easements is needed to replace and re-route a small section of gravity sewer off of Cornwallis Drive. In order to get the easements, the property owner requested Utilities vacate some abandoned sewer lines. The easements requested to be vacated are no longer needed. A public hearing and Board approval is required to vacate the property.

Ms. Kwiatkowski asked if the property owner would be compensated for the replacement and the new easement. Mr. Smith responded the property owner would receive compensation only for the new easement.

Mr. Makee asked if the yellow highlighted easement on the exhibit have a road that connects Cornwallis Drive to Betty Lewis Drive. Mr. Smith responded the yellow highlighted left side of the easement is an access easement and the yellow highlighted right side of the easement is a pipeline easement. There is not a road that connects Cornwallis Drive to Betty Lewis Drive. Mr. Glazman made a motion to recommend proposed resolution R16-51, which would authorize vacation of easements as a part of a sewer maintenance project on Cornwallis Drive.

Consider Pump and Haul Loan Policy and Ordinance for On-site Sewage System Repairs Related to the Pump and Haul Policy

Mr. Smith reported that as a part of the revised pump and haul policy the Board approved in June 2015, the policy limits the time of grandfathered subsidized customers. The policy directed Utilities to hire licensed Authorized On-Site Soil Evaluator (AOSE) to evaluate all of the sites. If an alternative system was an option, the County would inform the grandfathered customer to discontinue subsidized pump and haul services within six months and construct an alternative system.

Staff has contracted with a firm to begin the evaluations of the sites in the spring and complete them by year's end. The policy also states the Department of Utilities will provide an opportunity for the owner to enter into an agreement for a loan in the amount required to construct an alternative system. State code requires an ordinance in order for a locality to provide a loan for this purpose. The loan policy has provisions and codes that would have to be included in the ordinance. Mr. Smith then highlighted the provisions included in the draft pump and haul loan policy and stated the policy was discussed with the Infrastructure Committee (IC). The IC was concerned that the \$40,000 maximum loan amount was too high. Staff spoke with the Health Department and with AOSE's for cost estimates of alternative systems. They stated that most systems range from \$25,000 to \$45,000. Since most of the pump and haul sites have poor soil, the \$40,000 maximum is a good amount.

Staff will recommend to the Board to increase our operational budget an additional \$200,000 to help provide a loan to five customers for up to five years.

In order to move forward, a public hearing is required to be held by the Commission and the Board for an ordinance amendment.

Mr. Tignor inquired if the policy had been reviewed by the County Attorney's office. Mr. Smith responded that the policy had been reviewed by the County Attorney's office.

Mr. Tignor asked what method of enforcement is provided if the loan is not paid. Mr. Smith explained that the loan contract enforcement is similar to the availability agreement enforcement. As part of the loan agreement, a lien will be placed on the house. Ms Kwiatkowski commented that the loan contract should include a Confession of Judgment.

Discussion ensued about the average loan costs and terms.

Mr. Tignor asked if the current pump and haul customers would be notified about the public hearing for the loan policy. Mr. Smith responded the customers would be notified about the public hearing.

Mr. Smith stated staff is not seeking action at this meeting. The information was provided as an update. Staff will request a recommendation at the March 24th Commission meeting.

VIII. Add-on Item (CIP and Proposed Budget)

Mr. Smith reported that at the Board's Retreat, budget items, the CIP, and proposed rate increases were discussed.

Mr. Smith highlighted the following items:

- CIP
- CIP Changes This Year
- Proposed Rate Adjustments
- Historical Rates
- Consumption vs Accounts
- Financial Policy
- Rate Increase Options
- Board Directive on Options

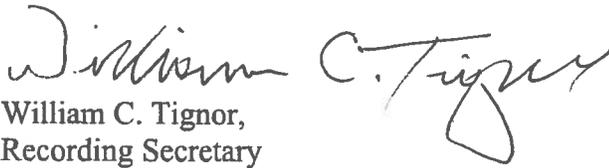
Mr. Smith stated staff is not seeking action at this meeting and requested the Commission review the information, speak with their supervisor, and contact him with their questions. At the March 1st Board meeting, the Board will refer the issue to the Commission for a recommendation and to hold a public hearing.

Mr. Makee requested information about the pump and haul history. Mr. Smith responded he would forward a synopsis of the pump and haul history.

IX. Adjournment

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

Minutes submitted by,


William C. Tignor,
Recording Secretary