

UTILITIES COMMISSION

January 13, 2009

7:00 p.m.

The Stafford County Utilities Commission met for its regular meeting on January 13, 2009, in the Board Chambers in the Stafford County Administration Center. Commission members present were Rick Carroll, Lloyd Chittum, Patricia Kurpiel, Bill Tignor, Wendy Surman and Clarence Young. Harry Critzer, Dale Allen, Susan Fitzgibbon and Cheryl Giles were present for the Utilities Department.

1. **Election of Officers** – Nominations were opened for the office of Chairman, Bill Tignor nominated Bob Hunt. Clarence Young seconded the nomination. There being no further nominations, the commission voted on the office. Mr. Hunt was elected by a 6-0 vote.

Nominations were opened for the office of Vice Chairman. Bill Tignor nominated Patricia Kurpiel. Rick Carroll seconded the nomination. There being no further nominations, the commission voted on the office. Mrs. Kurpiel was elected by a 6-0 vote.

Nominations were opened for the office of Recording Secretary. Lloyd Chittum nominated Bill Tignor. Rick Carroll seconded the nomination. There being no further nominations, the commission voted on the office. Mr. Tignor was elected by a 6-0 vote.

2. **Public Presentations** – Mr. Mike Williamson commented about his concerns regarding the conservation rates for his wife's home-based business and stated his request was the same that he presented at the November 12, 2008 meeting. He also thanked Mr. Critzer for placing his account on hold until the conservation rates issue is resolved.

3. **Approval of Minutes** – Minutes for the November 12, 2008 meeting were approved as written.

4. **Golden Tap Award** – Director of Utilities, Harry Critzer suggested that because of the current economy and a recommendation requesting expenses be curtailed by the County Administrator, the Golden Tap Award be delayed until next year when we could better fund the expenses for the banquet.

After some discussion about the cost of having the dinner, the Commission decided to defer the decision to appoint a committee and to hold the Golden Tap Award banquet next year.

5. **Water and Sewer Availability Fees/Debt Service** – Utilities Financial Manager, Susan Fitzgibbon presented an updated report regarding availability fees. Susan reported that at the December 2, 2008 Board of Supervisors meeting, the Board referred the proposed availability fees increase for review by the Utilities Commission.

Susan provided information that was presented at the Board of Supervisors meeting and alternative scenarios if Utilities does not receive enough Equivalent Dwelling Units (EDUs) to cover the debt service. She reported the Utilities Fund Cash balance, explained how availability fees are

calculated, highlighted which CIP projects are funded by the water and sewer availability fees, provided information showing a comparison of proposed rates to benchmark counties and provided information explaining the projected annual debt service.

Susan then explained three alternative scenarios if Utilities does not receive enough EDUs. The scenarios consisted of:

- 1) removing the new Utilities Complex from the CIP
- 2) partially funding the debt service with a monthly debt service fee charged on each account
- 3) partially funding debt service with commercial user fees

Susan reported that staff recommends reducing the scope of projects, implementing monthly debt service fee per EDU, marginally increasing availability fees and evaluating and adjusting availability fees annually.

Wendy Surman inquired if the 5 million dollar amount listed in the Utilities Cash Fund for water and sewer extension reserves was based on our current Water & Sewer Master Plan or the proposed Water & Sewer Master Plan. Susan responded the amount was based on the current Water & Sewer Master Plan and would probably remain the same with the proposed Water & Sewer Master Plan. Wendy also asked if the EDUs served listed on page 5 of the handout were the current number of EDUs served. Susan responded that the number represents the projected number of new EDUs that would be available.

Lloyd Chittum commented about his concerns of how the rates would be affected if the economy worsened within the next five years.

Rick Carroll inquired as to why other counties have higher water and sewer costs. Susan responded it could be they have more projects.

Bill Tignor commented that his water bill in comparison to his cable, phone, electric, and trash bill are significantly lower and suggested that an increase of the minimum fees for water would be affordable and could generate some additional revenue.

Patricia Kurpiel commented that the EDUs reflected in the report Susan presented accurately reflect the dwelling units forecasted inside the Urban Service Area in the Comp Plan. Patricia stated Stafford County's availability fees fall in the middle of the comparison of benchmark counties chart that Susan provided in her report and does not see that there is a problem with fees being too low or too high. Patricia also commented she thinks the cost for new development should not be charged to current users.

Harry Critzer commented the fiscal policy requires that debt service be paid with availability and pro rata fees and that no matter what the fees are set at, Utilities would still be responsible for paying the debt service whether availability and pro rata revenue came in or not.

Wendy Surman stated she opposes increases to commercial customers' bills.

Patricia Kurpiel then polled the Commission to determine their thoughts on being provided the total impact to the customers before recommending an implementation of the monthly debt service fees.

Wendy Surman made a motion to table making a recommendation to the Board of Supervisors until receiving additional projections regarding user fees. Lloyd Chittum seconded the motion. The motion passed with a 5-1 vote with Bill Tignor casting the opposing vote.

6. Rates for Water-Dependent Home-Based Businesses – Harry Critzer provided background information regarding the water rates for water-dependent home-based businesses. Harry reported at the December 16, 2008 Board of Supervisors meeting, the Board referred the issue of water rates for water-dependent home-based businesses to the Utilities Commission for further evaluation and for a recommendation. Harry explained that staff looked at six or seven alternatives that would attempt to have a rate structure that would apply to a new class of customer called a water-dependent home-based business. The definition of a water-dependent home-based business customer would be one that uses 25,000 gallons or more. Until a customer reaches 23,000 gallons, it would be to their advantage to stay with the conservation rates. Harry also reported there are approximately 75 home-based businesses, but only 38 that use over 20,000 gallons per month. Harry then explained a chart that compared water billings at different volumes of usage at the old rates, with the new “conservation rate”, and at a flat rate of 2.5 times the current commercial rate.

Wendy Surman commented the Commission should keep in consideration home day care centers when determining how the rates would affect home-based businesses.

After some discussion, the Commission recommended a public hearing be held next month to establish a new rate structure of 2.5 times the current commercial rate for a new class of customer, a water-dependent home-based business and that the date be retroactive to July 1, 2008.

7. Utilities Director's Report – Harry Critzer reported both reservoirs are full and upgrades to both wastewater plants are being performed to meet nutrient removal criteria.

Harry also reported that an increase for the allocation of nitrogen and phosphorous was needed in order to go from 6.4mgd to 8.0 mgd at Little Falls Run plant which had been left out. The bottom line is that an additional 5 million dollars needs to be spent. It is unknown if grants and low interest loans would cover this.

Harry met with a representative from EnerNOC, a business that manages electrical grids on the east coast. EnerNOC is proposing a plan that would reduce electrical rates in exchange for the County switching from commercial power to generator when requested. Harry stated the representative explained EnerNoc can only call between June and September for up to ten times during that period to run the generator. Utilities would receive \$62,300 if EnerNOC does or does

not call. If EnerNOC does call during that period and we run the generator, Utilities would receive an additional \$8,000, which pays for the fuel and the maintenance of our generators.

8. Commission Members Comments – Bill Tignor commented that he hopes the situation with Mr. Mike Williamson would be resolved quickly.

Patricia Kurpiel commented she would like to discuss what the plans are to buffer all the houses after the Rocky Pen Run project is completed at a later date. She also requested that discussion regarding passing the reservoir protection ordinances be added to the agenda next month.

The meeting was adjourned at 8:40 p.m.

Respectfully submitted,

William C. Tignor,
Recording Secretary