

UTILITIES COMMISSION

November 10, 2009

7:00 p.m.

The Stafford County Utilities Commission met for its regular meeting on November 10, 2009, in the A, B, C Conference Room in the Stafford County Administration Center. Commission members present were Rick Carroll, Lloyd Chittum, Bob Hunt, Patricia Kurpiel, Bill Tignor and Clarence Young. Harry Critzer, Dale Allen, Susan Fitzgibbon and Cheryl Giles were present for the Utilities Department.

2. Approval of Minutes – Minutes for the September 8, 2009 meeting were approved as written.

3. Chesapeake Bay Local Assistance Authority – In the absence of Patricia Kurpiel, Chairman, Bob Hunt presented background information about the Chesapeake Bay Local Assistance Authority (CBLAA). Mr. Hunt stated that the CBLAA could provide information for residents who would have waterfront property as a result of the Rocky Pen Run Reservoir project. Mr. Hunt recommended that staff contact the CBLAA to obtain information about them hosting a workshop for residents before the clear cutting of the reservoir has been completed.

4. Proposed Increases/User and Water Availability Fees – Utilities Financial Manager, Susan Fitzgibbon provided an updated presentation of the proposed water and sewer rate increase.

Susan provided detailed information regarding the following topics:

- Why the proposed water and sewer rates are needed.
- The impact to the Utilities Bond Rating and the Utilities Fiscal Policy if no rate changes are implemented.
- The impact of a 4% rate increase: (Response to question asked at August Public Hearing)
 1. It would not meet the Operating Margin target.
 2. Reserve requirements would be at risk beginning FY11.
 3. Additional cuts would need to be made to maintain required reserve levels.
 4. Postponement of rehabilitation would increase the risk of system and equipment failure.
- The impact of the proposed 8% rate increase:
 1. All Bond Covenant Ratio targets would be met.
 2. The Reserve requirements would be met.
 3. The Operating Margin target would be met.
 4. The 8% increase excludes the \$3.00 overlay to the monthly fee that was included in the original proposal. Excluding the \$3.00 overlay would mean that the average residential customer bill would increase by \$3.25, not \$6.25 as originally proposed. (The average commercial bill would increase by \$27.89, not \$42.89 as originally proposed). In order to eliminate the \$3.00 overlay, \$11.82M of capital improvement projects were eliminated or postponed from the planning period. The projects that were eliminated were designated by the Utilities staff as “non-immediately-critical” projects. All Capital Improvement Program (CIP) projects that were designated as “immediately-critical” (as of this point) remain in the proposed Utilities CIP.
- A comparison to benchmark localities for the average residential water and sewer bill and the average commercial bill.
- The impact of eliminating the Payment In Lieu of Taxes amount.
- Categories of cost reduction the Utilities Department has taken in the past 18 months.
- Explanation of Equivalent Dwelling Units projections and how they relate to the Planning Department’s growth assumptions. Both Utilities and the Planning Department base their

growth assumptions on population projections provided through the Virginia Employment Commission.

Mr. Hunt recommended that each Commission member contact their supervisor and inform them about details of the proposed rate increase. He also encouraged members to attend the November 17th Board of Supervisors meeting.

5. Proposed Six-Year CIP – Assistant Director of Utilities, Dale Allen highlighted the proposed CIP water, wastewater and general projects for FY2011-2016.

6. Stafford Meadows Water and Sewer – Director of Utilities, Harry Critzer reported he met with Mr. Waldowski and Commission member Wendy Surman regarding concerns Mr. Waldowski has at his Stafford Meadows residence. Harry stated he explained to Mr. Waldowski that his problem regarding the Line Maintenance Fee charged by the management company is not a Utilities issue. He needs to deal with the management company.

7. Proposed Terminal Reservoir Ordinance Revisions – Harry Critzer reported the proposed Reservoir Protection Overlay District Ordinance had been referred back to the Planning Commission. The Commission was advised by legal counsel that they could not regulate the use of fertilizers or pesticides unless there had been extensive testing and the testing had shown some deterioration of the quality of the water in the reservoir. Harry asked the commission for guidance on how they would like to proceed with the proposed Terminal Reservoir Ordinance.

Bob Hunt and Patricia Kurpiel both commented they did not realize the ordinance had not been passed.

Patricia Kurpiel recommended the statement regarding the regulated use of fertilizer and pesticides be removed and the proposed Terminal Reservoir ordinance be forwarded to the Board of Supervisors for a public hearing to be held.

8. Roseville Plantation Large Water Project – Dale Allen provided background information about the project and reported that bids went out on November 2nd for the project. Twelve bids were received and the lowest bidder was Collins Contracting Company in the amount of \$669,000. Dale commented the bid was lower than anticipated because the geotechnical testing was removed from the contract and because the current bidding environment is very good.

9. Rocky Pen Run Dam Foundation Preparation Project – Dale Allen reported the project is excavating and grouting work for preparing the area for the earthen dam. Nine bids were received on October 5th for the project and the lowest bidder was General Excavation in the amount of \$8,696,928. The construction of the project is scheduled to last for 11-months and should be completed in October of 2010.

10. Commission Members Comments – Patricia Kurpiel inquired about the status of the waterline easement on the Fredericksburg conservation easement land. Dale responded that we are

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now looking at a route which avoids the river easement. The new proposed route is in a conservation easement owned by Silver Companies. He plans to ask Silver for an easement through their property.

The meeting was adjourned at 8:55 p.m.

Respectfully submitted,

William Tignor,
Recording Secretary