

Draft Meeting Minutes
Utilities Commission
February 11, 2020

- I. Call to Order (Jason Towery)
- II. Roll Call - All members were present.
- III. Mr. Towery called the meeting to order and welcome the two new members, Mr. Greg Cox and Ms. Nancy Sullivan. Mr. Cox and Ms. Sullivan, along with Mr. Boulden, Mr. Carson, Mr. Glazeman, Ms. Kwiatkowski, and Mr. Tignor gave brief overviews of their time on the Commission as well as past and present work history and time living in Stafford County.
- IV. Mr. Towery called for nominations for the 2020 Chairman of the Utilities Commission. Ms. Kwiatkowski nominated Mr. Carson. Mr. Carson's nomination was approved unanimously. Mr. Carson then moved to the Chairman's seat at the dais and called for nominations for Vice-Chairman. Ms. Kwiatkowski nominated Mr. Tignor. Mr. Tignor's nomination was approved unanimously. Mr. Towery noted that due to a change in the Bylaws in 2018, he was the Secretary of the Commission; no vote was needed for that position.
- V. Approval of the Minutes of the December 10, 2019 Utilities Commission Meeting.
Mr. Tignor motioned, seconded by Ms. Kwiatkowski, to approve the minutes of the 12/10/2019 meeting, which were unanimously approved by those members present at the December meeting.
- VI. Presentations by the Public – There were no members of the public at the meeting.
- VII. Reports by Commission Members
Ms. Kwiatkowski noted that she asked Ms. Deidre Jett (Finance and Budget Manager) to provide copies of the CAFR including a statement of net position (proprietary funds), a statement of revenues, expenses and changes in fund net position, and a statement of cash flows. She said it would add to the discussion under New Business regarding a proposed 1.5% water/sewer user fee rate increase.

Mr. Tignor said he would like to see some numbers for the last three years and including what this proposed increase would amount to for the average 6,000 gallon bill.

No other members of the Commission gave a report.

VIII. Director's Report (Jason Towery)

Mr. Towery again welcomed Mr. Cox and Ms. Sullivan to the Utilities Commission. He thanked Ms. Joyce Arndt and Mr. Mike Makee (former members) for their service.

Mr. Towery then provided an overview of the Board of Supervisors' January 7, 2020 meeting; the Board adopted a resolution in support of reconsideration of new watershed regulations under the Chesapeake Bay TMDL Phase III Watershed Implementation Plan. A copy of Resolution R20-31 was included with the agenda materials to provide additional details on this item. Mr. Towery noted that the implementation numbers were unreasonably high regarding wastewater flows given that the 2018 baseline was during a year with excessive rainfall and therefore, were not accurate. Mr. Carson stated that concerns were justified as the year picked was not an average year weather-wise. Mr. Towery said that many localities were very concerned.

At the Board's January 21, 2020 meeting, the Board authorized the County Administrator to execute a contract for rehabilitation services to the County's sanitary sewer infrastructure. Mr. Towery spoke about 3R (repair, rehabilitation, replacement) work and its cost effectiveness. A contract amendment was approved for Phases 1A and 1B of the Claiborne Run Force Main Project in the George Washington District, in conjunction with a consent order with the Department of Environmental Quality (DEQ). The Board also voted to accept reimbursement from the Virginia Department of Conservation and Recreation (DCR) the Abel Lake Dam upgrade project (in the Hartwood District). Also on January 21st, the Board approved an ordinance amendment to County Code, Chapter 25, regarding alternate discharge sewage systems.

Mr. Towery provided an overview of water and sewer revenue and delinquent accounts saying that accounts were up 2.6% year-to-year and would soon exceed 40,000 accounts. The number of delinquent accounts was 2,552 in January totaling \$646,288.26. He said that staff was working with the Treasurer on wage garnishments and intercepting tax return dollars. Ms. Kwiatkowski questioned how the Treasurer did wage liens. Mr. Santay said they were attached to the delinquent customer's employer. Ms. Sullivan noted that if the account holder was military, a call should be placed to his/her Commander's office. Ms. Kwiatkowski said that was tried unsuccessfully in the past. Mr. Carson asked if the 2,552 was up or down. Mr. Santay confirmed that it was a slight increase and said that they were all terminated accounts. Mr. Glazeman asked if 75% of the delinquent accounts was attributed to renters and if a higher deposit could be charged to be allocated to water/sewer bills.

Mr. Towery said that would require a change to County policy; that the initial repayment period was extended to 90 days and this was an ongoing process. Mr. Tignor said he had family members that owned rental property in the County. He said that tenants come and go, and other utilities (gas and electric) bill the landlord if the tenant is in arrears in payments and asked why the Utilities Department did not do that. Service on rental units goes back to the landlord when the bill is unpaid; it is part of the landlord/tenant relationship; there is no water turn-off. He said it was an extra step that may help with collections. Mr. Towery said it was up for discussion and the Commission would be asked to revisit this at a later meeting. He said regarding Mr. Tignor's suggestion, the Board of Supervisors heard it before and had consternation over the idea of billing landlords for unpaid water/sewer bills. Mr. Tignor said it was no different than other utilities. Mr. Glazeman suggested that landlords obtain a sufficient deposit to cover any unpaid utilities bills. Mr. Towery said that charging landlords caused the Board consternation but it could be brought up again for further discussion.

Mr. Towery then provided the Commission with an overview of Utilities Capital Engineering and Construction projects including the Enon Road Water Storage Tank; the 24" water transmission main (Project 342-05), which will begin later in February; the Lower Accokeek Project, including gravity, force main, and pump station, is underway; the Claiborne Run Parallel Force Main, Phase 1A Route 3 East, was nearly complete and the Claiborne Run Gravity Interceptor, near Earl's True Value, was complete; the Wayside Interceptor Gravity Sewer is nearly complete but there have been delays due to issues with the contractor; design contracts are being worked on for significant repairs and updates to both the Aquia and Little Falls Run Wastewater Treatment Plants. Numerous coordination efforts are underway with VDOT, TransUrban, and Branch-Flat Iron regarding crossings over/under I-95.

Regarding Field Operations, all facilities are in compliance with all State and Federal permits; rehabilitation of a 16" water main to increase fire flows for the area around Centreport Parkway is complete; an upgrade to a water line along Shelton Shop Road should be complete in March, 2020; Unidirectional flushing will begin in the spring in portions of the County northeast of the Hospital; Aquia WWTP manager, Ed Hayner, was awarded the Hatfield Award from the VA Water Environment Association, presented to operators of wastewater treatment plants for outstanding performance and professionalism. Mr. Cox asked if there were penalties assessed to contractors behind on their contracts. Mr. Towery responded that there were penalties but the County tried to not pull bonds due to is being a long, drawn-out litigious process. Mr. Cox mentioned rewards for finishing projects early.

In Code/Review/Inspections, the Board approved Ordinance O20-06 regarding alternative discharging systems prohibiting them for new development and only authorizing them on a case-by-case basis and with Mr. Towery's approval for replacement of failed systems with no increase in capacity.

IX. New Business – Discuss a Utilities FY2021 Water/Sewer User Fee Rate Increase
(Paul Santay and Deidre Jett)

Mr. Santay said that as part of the annual user fee rate review process, staff recommends a 1.5% increase in water/sewer rates in FY2021. The increase reflects the cost of ensuring the integrity of the Utility system and is in compliance with the Utilities Fund Fiscal Policy. He noted that operational costs are trending higher including materials, supplies, labor, etc., and the Utilities Capital Improvement Program (CIP) continues to focus on 3R as well as large waterline projects and plant upgrades. The proposed rate increase was included in staff's presentation of the five-year plan, which was given to the Commission at its 12/10/19 meeting. Mr. Santay noted that Spotsylvania and Loudoun counties were proposing rate increases of 3.5% and 30% respectively for FY2021.

Mr. Carson asked if the Commission had to authorize a public hearing on the proposed rate increase. Mr. Towery said that authorization was not stipulated in the bylaws but that a public hearing on the proposed increase in user fees was planned for the March Utilities Commission meeting. After the Utilities Commission offered its recommendation, the Board would hold a public hearing in conjunction with the County's tax rates and budget public hearing scheduled for April 7, 2020. Mr. Glazeman requested that with the materials provided for the March meeting/public hearing include figures showing the percentage of rate changes historically for five years plus/minus. Mr. Towery said that the Board approved 9% increases for three years back-to-back to catch up and the proposed 1.5% increase will help to keep pace with inflation, operations, etc. Mr. Tignor said that people are using less water with advances in new appliances, shower heads, and such.

Mr. Santay said that the proposed increase would amount to approximately \$2.00 or \$2.50 on the typical 6,000 water bill. Ms. Kwiatkowski asked about revenue. Ms. Jett said that while it will appear that operating revenues are down in FY2021, it is because there was an error in the FY2020 budget. However, growth is consistent with past years and an increase of 1.5% is needed to keep up with inflation.

In response to Mr. Carson's question, the photograph on the Power Point presentation is of Lake Mooney and was taken by Mr. Rob Turner, the manager of the Smith Station Water Treatment Plant. Mr. Turner is a certified drone pilot and has taken wonderful pictures and videos of Stafford County sites that have been used to inspect water towers, etc. Mr. Carson asked if the reservoir was full. Mr. Towery noted that Lake Mooney was down 2' but Smith and Abel Lakes were full. Mr. Cox asked about ~~ground~~ brown water separators and the process to take sediment out of ~~ground~~ brown water. Mr. Towery recommended that members of the Utilities Commission take a tour of a water treatment plant and a wastewater treatment plant where they could see and learn about operations at both types of facilities. A tour will be scheduled for spring, 2020.

Mr. Cox spoke about system integrity and getting in front of issues before there are citizen complaints. Mr. Santay said that the County is investing in field operations staff as well as project managers and new technology in an effort to get in front of problems. He spoke about building Lake Mooney five years ago. Mr. Boulden asked if the proposed rate increase was for FY2020. Mr. Santay responded that there was an error in the Power Point presentation and the rate increase was proposed for FY2021 (July, 2020). Mr. Towery noted that typically rate increases took place in June, not July. Mr. Cox asked about the bad press associated with raising rates. Ms. Jett said that the proposed raise was in line with comparable localities and well within an acceptable range.

- X. Adjournment – the meeting adjourned at 8:06 p.m. Mr. Glazeman stated that his e-mail address was incorrect on the roster.

Respectfully Submitted,

Jason D. Towery
Director, Department of Public Works