

**Stafford County Utilities Commission
Meeting Minutes**

September 11, 2018

A. CALL TO ORDER

Mr. Makee called to order the regular meeting of the Utilities Commission (UC) at the George L. Gordon, Jr. Government Center on September 11, 2018 at 7:00 pm in the ABC Conference Room and asked Ms. Bush to call the role.

B. ROLL CALL

Members present: Michael Makee, Kent Carson, William Tignor, Moses Boulden and Joyce Arndt

Members absent: Mickey Kwiatkowski, Alan Glazman

Staff present: Jason Towery, Bryon Counsell, Jason Pauley and Cindy Bush

C. APPROVAL OF MINUTES

Mr. Tignor made a motion to approve the August 14, 2018 meeting minutes as written. Mr. Carson seconded the motion. The motion passed 5-0. (Mr. Glazman and Ms. Kwiatkowski was absent at the time of the motion).

D. PRESENTATIONS BY THE PUBLIC

Mr. Makee directed the Public Speakers that were in attendance they would need to state their full name and address and would have three minutes to speak. Mr. Bob Marshall 623 Truslow Road Fredericksburg VA. 22406 presented the Utilities Commission with his concerns about the Water Sewer Line Extension on Truslow Road. Mr. Marshall explained he has been working on this project for six years. I originally had 7 people signed up and paid the \$500.00 fee now we are being told this project is not going to happen and also the price is going to be raised for this project and all future projects. I have a contract and paid money to have this project move forward.

E. PUBLIC HEARING

None

F. REPORTS BY COMMISSION MEMBERS

None

G. DIRECTOR'S REPORT

1. **Utilities Items on the Board Agenda - September 18, 2018**

We do not have any items on the Board Agenda for September 18th

2. **Master Plan Update**

Pro Rata rates were approved at the September 4th Board of Supervisors meeting.

3. **Operations and Customer Service Update**

Staff is in the planning stages of decommissioning the existing Courthouse Water Tank.
Continued trend of 2.3% account growth; Consumption has dropped 1.4%.
Customer Service Account Delinquency: \$798,575.00
Manganese issues at Smith Lake have been resolved.
Storm Preparation ongoing

4. **Construction Project Update**

Courthouse Tank is at 95% completion and expected to be online in September
I-95 crossing for Falls Run Interceptor; has been halted; Contractor unable to continue; tunnel bore will be re-advertised early 2019
Claiborne Run Interceptor; new open to traffic; temporary bypass operational, clearing complete; 200 feet of new sewer installed
Wayside Interceptor Sewer has begun with site survey and VDOT permit underway
Stafford Oaks Pump Station; construction continues
Claiborne Run Parallel FM awarded to Midas Utilities, finalizing contract
Lower Accokeek FM/Gravity; bid to go out beginning of November

5. **Staff/Department Updates:**

Two Assistant Directors have been hired for the Divisions of "Review and Inspections" and "Customer and Development Services". Expected start date September 24, 2018
Utilities Customer Service and Billing have been moved to main building and are now in the Division of "Customer and Development Services"
Utilities Review and Inspections have move upstairs to the old Customer Service area at 2128 Jeff Davis Hwy and are now a part of the Division of "Review and Inspections"
Cindy Bush - Last meeting with UC. She is moving to the Division of Review and Inspection

H. NEW BUSINESS

None

I. OLD BUSINESS

1. Water and Sewer Extensions

Mr. Makee opened and read a letter presented to the Utilities Commission by Paul Noah Jr. 32 Snellings Lane Fredericksburg, VA. 22406 dated September 11, 2018, After reading about the proposed fee increase, to be honest I was in shock. The petition was signed over 3 years ago was for \$5,600.00 now you propose almost three times that amount. Bob Marshall started a petition on Truslow Road long before we did on Snellings Lane. He is still waiting as we are. I know prices increase but why wasn't something said in past years about potential increase. Seems like the County doesn't hesitate on building ball parks and pedestrian trails maybe put the trails inside the parks. So I propose lowering

your proposal considerably, so you can get this project started before you ask for another increase. Still waiting Paul Noah Jr.

Mr. Towery explained the Extension Policy the previously established Water and Sewer Extension in October of 2017 the Board of Supervisors Infrastructure Committee requested that the Utilities Commission consider and make recommendations to revise the Water & Sewer Extension Policy in order to address financial losses to the Utilities Fund. In particular the Board asked the Utilities Commission to consider whether or not the policy placed unreasonable costs on the Utilities Fund and what might be done to mitigate this and what can be done to bind property owners served by the extension to payments in order to avoid extensions without hookups.

The current established Water and Sewer Extension Policy is organized into 4 categories, Capital Improvement Program (CIP) Short Extension Projects (SEP) Neighborhood Project (NP) and Large Scale Projects (LSP)

Historically these projects have a final participation rate between 20% - 30% of the properties served, so the actual losses are much closer to \$40k - \$60k per property served. Loss per Property Served (L/PS) is a measurement of the total loss of funds incurred by the Department for each hookup realized (i.e. cost divided by total actual hookups). In some isolated cases extensions have been performed at the petition of the owners and no hookups have been made. In these cases, of course, the Department has incurred a total loss.

In order to address these issues, Staff recommends reducing the liability of the Department by:

- 1.) Limiting the scope of projects covered by the extension policy - SEPs are proposed to be limited to situations where there are existing properties with documented well or septic failures and where Chapter 25 of the Code requires a connection to Public Water or Sewer. SEPs are also limited to a total cost of project of \$50k (administrative approval) or \$100k (Utility Commission approval). Projects costing more than this would require Board of Supervisors approval. NEPs are proposed to be limited to neighborhoods where there is history or evidence of widespread well or septic failures or health concerns and the total cost of the project to design and construct is less than \$500k.
- 2.) Imposing an "Extension Fee" for properties requesting water or sewer. The initial extension fee is proposed to be set at \$15k for either water or sewer. This fee is separate from and in addition to Availability and other fees assessed. The Extension Fee would not be required for a property required to hook up to Public Water or Sewer under Chapter 25 of the Code.

In order to minimize costs and limit liability, the policy recommends performing the design and construction of extensions "in-house" to the greatest extent practicable. Extensions will be made subject to the ability of the Department to accommodate the project at the time of request. Projects which exceed the ability of the Department to design and/or construct will be referred to a Contractor to be addressed through the normal development process.

The proposed revisions to the policy do not require the property owners to achieve 100% participation to extend water or sewer. With a simple 51% majority the participants can petition the Board for the project and proceed through construction assuming the project falls within the guidelines of the policy. Beyond the initial fees gathered by participants, the Department will carry the costs through Capital Improvement Funds. The proposed policy also allows for the Extension Fees to be financed at a 0% rate for 5 years. Future participants who are not a part of the original project may hookup and pay the Availability and Extension Fees that are current at the time of their hookup.

In no case does the policy apply to new construction and it is not the intent of the policy to extend water or sewer for the convenience or financial benefit of property owners. Extensions for convenience should proceed through the normal development process firmly established in the Department's Design and Construction Standards and Policies. Rather the Extension policy is intended to provide a method

for water or sewer extensions to address well and septic failures within the Urban Service Area (USA). Extensions or requests outside of the USA require additional consideration by the Planning Commission and Board of Supervisors.

At the August 2018 Utility Commission Meeting Staff was directed to provide a draft policy for further consideration. Attached is a draft copy of the proposed policy for consideration and recommendation to the Board of Supervisors. We have provided a copy of the Draft Policy for your review.

Mr. Carson stated that he has read through the draft policy and supports the changes proposed to the Water & Sewer Extension Policy. However I feel that we need to review the Truslow Road Project to consider this situation separately from the new proposed policy. Mr. Towery responded the Truslow Road Project is not before the Utilities Commission for consideration this matter is still at the BOS level which was put on hold pending the outcome of the new policy. However it would be possible for the residents to bring it back again for consideration or they could take a different route which would be a service district.

Mr. Marshall raised his hand to speak; Mr. Makee acknowledged his gestor and informed Mr. Marshall he could ask one question. Mr. Marshall indicated no one ever informed me about the Service District or explained the process. Mr. Makee informed Mr. Marshall we are here tonight to review and revise a new Water and Sewer Extension Policy. Mr. Tignor stated he would like to send the Truslow Road Project back to the BOS for further review. Mr. Towery responded the matter is not in front of the Utilities Commission right now for consideration. The advice that I received from the County Attorney was that this is not something the Utilities Commission should consider making a recommendation for. This matter is not before the Commission for consideration. Mr. Makee asked the members how they would like to proceed. Mr. Tignor made a motion to have the Board of Supervisors review the Truslow Road Project Mr. Boulden seconded the motion. The motion passed 3-2. (Mr. Glazman and Ms. Kwiatkowski was absent at the time of the motion).

Mr. Carson made a motion to recommend the Board of Supervisors to pass the propose Water & Sewer Extension Policy Mr. Tignor seconded the motion. The motion passed 5-0. (Mr. Glazman and Ms. Kwiatkowski was absent at the time of the motion).

J. AJOURNMENT

Mr. Makee made a motion to adjourn, which was seconded by Mr. Carson. The motion was passed 5-0. (Mr. Glazman and Ms. Kwiatkowski was absent at the time of the motion).

There being no further business, Mr. Makee adjourned the meeting at 8:23 PM.

Minutes submitted by,

Jason D. Towery, P.E.,
Director of Public Works