


**ACTION ITEM
BOARD OF SUPERVISORS**

DATE June 17, 2008

TO. Board of Supervisors

FROM Robert E. Bos, P.E. 
Director of Utilities

ISSUE: Amend and Readopt Fees for High Volume and Bulk Use of Public Water Service

STAFF RECOMMENDATION. Approval


BUDGET IMPACT Acct #510-0000-316 20-01, -\$32,000

ATTACHMENTS (3)


[1] Background Report [3] **Reso/Ord/Proc #** 008-40

[2] Util Comm Minutes of 04/08/08 [] **Reso/Ord/Proc #**

[] [] **Reso/Ord/Proc #**

REVIEW [X] County Administrator's Office 

[X] Legal 

[] Budget 

[] **Consent Agenda**

[] **Other Business**

[X] **Public Hearing**

[] **Discussion Item**

[] **Presentation**

[] **Unfinished Business**

[] **New Business**

PRESENTATION BY: Susan Fitzgibbon
General Accountant

ELECTION DISTRICT N/A

BACKGROUND REPORT

During the end of summer and into the beginning of fall 2007, the County experienced below average rainfall - leading to drought conditions. Mandatory water restrictions were made effective in September, forcing water conservation so that enough water would be retained in the reservoirs to meet user demand. However, by the time the restrictions were put in place, water levels were already low.

A review of the 2007 situation has emphasized the importance of encouraging water conservation practices throughout the summer months, as a precautionary and proactive means of managing the unknown – the weather. A follow-up study of water usage during July 2007 identified that 2.7% of Stafford's residential customers accounted for 11% of the water consumed during that month. The average usage for this "high-volume" set of customers during July was 33 thousand gallons (Tgals). (For comparison, a household of three typically uses about 6 Tgals monthly.)

The intent of proposed Ordinance O08-40 is to discourage "excessive discretionary" water usage. Residential customers that use less than 20 Tgals/month would not be impacted by this change.

Proposed Ordinance O08-40 includes the following modifications to current user fees:

- The Residential high-end pricing block (for all water usage above 12 Tgals/month) would be split into two blocks
 - the first block (pertaining to usage from 12,001 – 20,000 gals) would continue to be charged at \$7.85/Tgal,
 - the second block (pertaining to all usage exceeding 20,000 gals) would be charged at \$23.55 (change from current rate)
- Irrigation meters that had previously been billed at residential rates, would be billed at bulk rates. It would not be appropriate to continue to bill them at residential rates as this would subject all irrigation usage in excess of 20 Tgal per month to the \$23.55 charge. Under this proposal, all irrigation water would be billed at the proposed bulk water rate of \$13.00/Tgal
 - (This set of users includes some businesses, public facilities and homeowners' associations. Water usage in excess of 20 Tgals for these customers is not unusual – but it is typically not considered 'discretionary' usage.)
- The Bulk rate would increase from \$9.90 to \$13.00/Tgal
 - The intent of increasing the Bulk rate to \$13.00 is two-fold

First, it is important that the increase be enough to encourage conservation, but not so much that it causes an unreasonable financial burden to Irrigation/Bulk customers who may not have much flexibility relative to 'discretionary' watering

Secondly, increasing the Bulk rate to \$13.00/Tgal would make it comparable to Bulk rates charged in neighboring areas, thus eliminating a perceived price 'discount' for Bulk water purchasing in Stafford

The Utilities Commission held a Public Hearing regarding this proposal on April 8, 2008. No comments were provided by the public at the hearing. The Commission voted 6-0 to forward proposed Ordinance O08-40 to the Board with a recommendation for adoption.

Staff recommends that the Board adopt proposed Ordinance O08-40 effective on July 1, 2008 and reflected on bills issued after July 31, 2008.

UTILITIES COMMISSION

April 8, 2008

7 30 p m

The Stafford County Utilities Commission met for its regular meeting on April 8, 2008, in the Board Chambers in the Stafford County Administration Center. Commission members present were Rick Carroll, Lloyd Chittum, Patricia Kurpiel, Wendy Surman, Bill Tignor and Clarence Young. Bob Bos, Susan Fitzgibbon, and Cheryl Giles were present for the Utilities Department.

1 Public Hearing – Susan Fitzgibbon presented a background report for the proposed conservation ordinance. Susan provided information on why the ordinance was necessary, the impact it would have on customer's bill and the projected impact on water consumption and revenue. Susan explained the monthly service charge would increase for only residential customers who used more than 20,000 gallons per month. She also explained that irrigation meters are currently charged residential rates, but staff recommends revising the proposed ordinance to bill irrigation meters at the bulk rate, which currently is \$9.90.

Following the presentation, Vice-Chair Patricia Kurpiel opened the public hearing for statements from the public. There being no speakers, the Vice-Chair closed the public hearing.

After some discussion by commission members regarding the irrigation meter charges, Lloyd Chittum made a motion to recommend the proposed conservation ordinance to the Board of Supervisors and to include the revision for irrigation meters to be charged the bulk rate. The motion was seconded by Bill Tignor and passed with a 6-0 vote.

2 Public Presentations – There were no public presentations.

3 Approval of Minutes - Minutes for the March 11, 2008 meeting were approved as written by a 5-1 vote. Wendy Surman abstained because she requested additional time to review the minutes.

4 Borrowed Utilities Fund Update – Susan Fitzgibbon distributed a copy of a memorandum that provided the amount of funds loaned from the Utilities Fund as requested by the Commission. Susan reported the Resolution numbers, the dollar amounts and the reason for the loans of the borrowed funds.

Wendy Surman inquired if the transfer of funds were endorsed by the Commission. Bob Bos responded that only one out of the three transfers was discussed and endorsed by the Commission.

Patricia Kurpiel inquired if there were sections of the County Code that addressed the legality of disbursement of enterprise funds or if research regarding the matter could be completed. Bob Bos responded the issue has been discussed in the past and there is nothing legally that can be done to prevent the transfer of the funds. However, in the future when bonds are transferred, it needs to be incorporated into the bond covenants to prohibit any transfer of the Utilities funds.

Patricia Kurpiel stated that the recently transferred funds for the Redevelopment Study should also be included in the memorandum

Bill Tignor made a motion that the memorandum report be provided to the Board of Supervisors to update them on the status of the funds. The motion was seconded by Lloyd Chittum and passed unanimously

5 Director of Utilities Report – Bob Bos reported water payments are currently mailed to the Merrifield, VA post office. Due to some administrative problems with the Merrifield post office, payments will be mailed to the Baltimore, MD post office for better service. Bob also reported that due to the lack of business items to discuss for next month, the meeting would possibly be cancelled


6 Commission Members Comments – Rick Carroll requested a letter be mailed notifying the commission of the status of the reservoirs. Bob Bos responded he would send an e-mail notifying members when the reservoir levels begin to drop


Wendy Surman commented after perusing the March minutes, she noticed members were awaiting her response regarding meetings starting at 7 00PM. Wendy stated that 7 00p m would work for her. After Wendy Surman's response, members agreed the time for meetings to begin would be 7 00PM instead of 7 30PM

Bill Tignor commented about Bob's retirement and expressed his gratitude for Bob's leadership in the Utilities Dept

There being no further business, the meeting was adjourned at 8 10 p m

Respectfully submitted,


Bill Tignor
Recording Secretary



PROPOSED

BOARD OF SUPERVISORS
COUNTY OF STAFFORD
STAFFORD, VIRGINIA

ORDINANCE

At a regular meeting of the Stafford County Board of Supervisors (the Board) held in the Board Chambers, Stafford County Administration Center, Stafford, Virginia, on the 17th day of June, 2008

MEMBERS

VOTE

George H Schwartz, Chairman
M S "Joe" Brito, Vice Chairman
Harry E Crisp II
Mark Dudenhefer
Paul V Milde III
Cord A Sterling
Robert "Bob" Woodson

On motion of , seconded by , which carried by a vote of , the following was adopted

**AN ORDINANCE TO AMEND AND READOPT THE FEES FOR
PROVIDING PUBLIC WATER AND SEWER SERVICE**

WHEREAS, the Board is authorized to set reasonable fees and charges for public water and sewer service, and

WHEREAS, such authority can be found in Sections 15 2-2111, 15 2-2119, and 15 2-2122 of the Code of Virginia (1950), as amended, and

WHEREAS, Chapter 25 of the County Code authorizes the establishment of fees, and

WHEREAS, the Board desires to set the fees for these services commensurate with the services provided by the County, and

WHEREAS, the Board desires to set the fees for these services to encourage the conservation of resources, and

WHEREAS, the Board has carefully considered the recommendation of the Utilities Commission and Staff and the testimony at the public hearing,

NOW, THEREFORE, BE IT ORDAINED by the Stafford County Board of Supervisors on this 17th day of June, 2008, that the fees for providing public water and sewer service be amended and are hereby readopted as follows

User Fees
July 1, 2008

<u>Service Section</u>	<u>Water Fees</u>	<u>Sewer Fees</u>	<u>Code</u>
Monthly Service Charges (Consumption per 1,000 gallons)			25-96(b)
0-4,000 gallons	1 86		
4,001-8,000 gallons	2 82		
8,001-12,000 gallons	5 51		
all over 12,000 gallons	7 85		
<u>12,001-20,000 gallons</u>	<u>7 85</u>		
<u>all over 20,000 gallons</u>	<u>23 55</u>		
Sewer Charge up to Seasonal Average & 20%		3 91	25-96(b)
Non-Residential (<u>excludes Irrigation Meters</u>)			
All consumption	2 83	3 91	
Irrigation Meters	Same as Bulk Rate	n/a	
Bulk Water (per 1,000 gal)	9 90		25-96(e)
<u>Bulk Water (per 1,000 gal)</u>	<u>13 00</u>		

BE IT STILL FURTHER ORDAINED that except as otherwise stipulated, the effective date of this ordinance is for all bills issued after July 31, 2008

AJR REB smf