



**Catlett – Calverton Sewer Project  
Project Management Team  
Golden Rule Builders, 3409 Catlett Road  
November 12, 2014  
Meeting Notes**

Welcome & Introductions – Eldon James asked everyone to introduce themselves (Sign in Sheet attached).

Eldon announced that we are making a change in the agenda; the VDH AOSS presentation is being moved to the December meeting to allow more time today to discuss the rates and charges.

Eldon moved on to the discussion of the rates & charges. He reported that Gary Schwartz, Sue Rowland and he had been meeting individually with members of the Board of Supervisors to hear their perspectives. He distributed the latest version of the Rates and Charges Proforma (attached) and began by discussing the proposed monthly charges. The information gathered on the existing WSA water customers in Catlett provided sound information on residential usage and the charges associated with that usage. Utilizing that information, residential customers would be charged \$52/month. (Reminder – EDU is defined as the typical residential unit in the 2 Villages using 260 gallons per day). Non-residential customers would be charged based on the per-EDU charge, but the multiple of an EDU will have to be determined on a case-by-case basis. As the Sewer Use Ordinance is developed in the coming months, we will define how that calculation will be made. Eldon pointed out that Virginia Code gives some direction as to how to do that, including methods such as the number of plumbing fixtures in a structure, the number of workers in a business or the volume of water used by the structure. He added that Supervisors have generally been comfortable with this recommendation.

Dr. Davis of the Health Department said that VDH is strongly encouraging the County to require all non-residential customers to put meters on their wells so that we know exactly how much water is being used and how much wastewater is entering the system.

Eldon then moved to the Tap Fees. He said that the Supervisors had two concerns with the idea discussed at the previous PMT meeting of \$14,000 per residential customer and \$35,000 per non-residential customer based on the WSA experience



that most would require a 1 inch meter line. Supervisors were concerned that, with a \$14,000 Tap Fee for residential, the gap between cost to build the system and the recovery of fees was too large, approaching \$2 million on a \$7 million project. They were also concerned that the anticipated size of the typical Catlett-Calverton business was not representative of the scale that currently exists. They were therefore concerned that the \$35,000 fee was too high.

The revised proposal reflected in Section 3 of the Proforma would set the per EDU tap fee at \$23,060. The residential fee would therefore be \$23,060 (1 EDU). Non-residential would therefore be set at the multiple of 1 EDU that is determined on a case-by-case basis per the previous discussion on monthly fees. At 308 EDUs of capacity of the system this covers the \$7.1 million loan with the sale of all 308 EDUs of capacity.

Mr. James then explained the incentive period might run for 4 to 6 months with the following incentives:

- Residential – As an alternative to paying the Tap Fee in full the property owner could choose a “Deed of Trust” allowing for a delay in payment of connection fees until sale or transfer of property. The Deed would also include the plumbing and electric costs associated with the connection, in addition to the Tap Fee.
- Non-Residential - Payback of the Tap Fee over 5 years, or at sale or transfer of property, whichever comes first.

There was discussion of the amounts and the logic being used to develop the recommendation. There was general agreement with the logic especially on the non-residential side but some reservation about the magnitude of the \$23,060 residential cost.

All members of the PMT were invited to come to the Board of Supervisors work session scheduled to 2:30 November 13.

Next PMT Meeting: December 10, 2014 to include a presentation on the AOSS Rules and Regulations by VDH.

**CATLETT-CALVERTON  
RATE STRUCTURE PROFORMA**

**11.12.14 PROJECT MANAGEMENT TEAM DRAFT  
RATE STRUCTURE DOCUMENT FOR DISCUSSION  
PURPOSES ONLY**

**CATLETT-CALVERTON  
RATE STRUCTURE PROFORMA**

**SECTION 1**

DRAFT revised: 11/11/14

<b>FAUQUIER COUNTY WATER AND SANITATION AUTHORITY (WSA)</b>		
WSA Volume 2 - Rules & Regulations:	SECTION 2.4	SECTION 2.6
Water Meter Size	Base Sewer Service Fees	Sewer Usage Fees
5/8" X 3/4"	\$20.03	\$ 7.27 per 1000 GPM

<b>WSA WATER USAGE: DETAIL REPORT FOR CATLETT - CALVERTON</b>				
<b>WATER METER READINGS</b> <small>(NOTE 1)</small>		PINs	<b>Average Monthly Water Usage</b>	<b>Average Monthly Sewer Usage</b>
CATLETT SERVICE DISTRICT			Gallons per Month (GPM) <small>(Note 2)</small>	Fees <small>(Note 3)</small>
YEAR SUMMARY				
R1 & R2	Single Family (assumes 5/8" x 3/4" meter)	43	3,990	<b>\$52.00</b>

NOTE 1: WSA WATER METER Detail Report dated 10/06/14 for period 10.01.13 to 08.30.14: 56 of 72 properties reported in Service District

NOTE 2: Average WSA Monthly Water Usage - minimum 3 month current history

NOTE 3: Through extrapolation, all 153 properties within both Service Districts having existing structures were assigned the equivalent WSA sewer rates (section 2.4) based on the 43 property representative sample. Monthly User Fees were assigned by property using the base service fee plus the average monthly water usage fee adder as defined by water meter size.

**SECTION 2**

OPERATING COSTS MONTHLY USER FEES		PROPERTIES WITH EXISTING STRUCTURES (assumes 1 structure per property)	VACANT LOTS <small>(NOTE 4)</small>	
			CONFORMING Building Value = \$0	NON-CONFORMING (Requiring BLA / SEP / Variance)
EDU = Equivalent Dwelling Unit as defined in the Sewer Use Ordinance based upon anticipated/actual effluent flow volumes.		The monthly fee per EDU charged to each property with a structure(s) whether or not they are connected to the sewer system:	The monthly fee per EDU charged to each property without a structure on a "Conforming Lot"	The monthly fee per EDU charged to each property without a structure on a "Non-Conforming Lot"
<b>RESIDENTIAL</b>				
R1 & R2 SINGLE FAMILY	EDUs	\$52.00		
		153		
<b>NON-RESIDENTIAL</b>				
NON-RESIDENTIAL	EDUs	\$52.00		
		155		
<b>VACANT LOT</b>				
VACANT LOTS	EDUs	N/A	\$52.00	\$17.33
			131	180
<b>TOTAL EDUs =</b>		<b>308</b>	<b>131</b>	<b>180</b>
<b>MONTHLY FEES BILLED</b>		<b>\$16,016</b>	<b>\$6,812</b>	<b>\$3,120</b>
		<b>Monthly Operating Fees Due NWC (includes repairs &amp; replacements) 20 year term</b>		<b>\$ 18,260</b>
		<b>Additional MONTHLY Revenue</b>		<b>\$ 7,698</b>
		<b>Additional ANNUAL Revenue <small>(NOTE 5)</small></b>		<b>\$ 92,376</b>

- NOTE 4: Conforming or Non-conforming properties without existing structures as identified by Community Development (9.25.14)
- NOTE 5: Additional ANNUAL Revenue available after payment of full NWC operating cost - available options (priority order):
- 1 County Billing Function - FTE & benefits, program software licensure, operating costs, title recordation...
  - 2 Sinking Funds - LMI Hook-ups (recovery of expenditures anticipated from state-aid, grants, etc...)
  - 3 Sinking Funds - NWC Contract Contingency
  - 4 Reduction in Capital Debt - Repayment towards capital cost recovery
  - 5 Plant Upgrades & Expansion

**SECTION 3**

**INCENTIVE PROGRAMS offered through / / 2015**

**INCENTIVE PROGRAM for DEFERRED PAYMENT of TAP FEE for RESIDENTIAL and NON-RESIDENTIAL PROPERTY OWNERS:** Lien on property becomes RESIDENTIAL TAP FEES become due upon sale or transfer of property

NON-RESIDENTIAL TAP FEES are payable IN 5 ANNUAL INSTALLMENTS, or balance payable when property is sold or transferred, whichever comes first.

**INCENTIVE PROGRAM for DEFERRED PAYMENT (Lien) of RESIDENTIAL BUILDING HOOK-UP COSTS:** Hook-up costs for connecting the existing structure

**STANDARD PROGRAMS after / / 2015**

**STANDARD RATE STRUCTURE PROGRAM: AFTER CLOSE OF INCENTIVE PROGRAM, TAP FEE PAYMENT DUE IN FULL AT TIME OF APPLICATION**

**VACANT LOTS: TAP FEES set upon receipt of Application to connect to sewer at time of Building Permit issuance. VACANT LOTS are properties without existing structures as**

CAPITAL COSTS - AVAILABILITY / TAP FEES <small>(NOTE 6)</small>	PROPERTIES WITH EXISTING STRUCTURES assumes 1 structure per property		VACANT LOTS
	INCENTIVE	POST INCENTIVE	FUTURE
EDU = Equivalent Dwelling Unit as defined in the Sewer Use Ordinance based upon anticipated/actual effluent flow volumes.			Tap Fees set upon receipt of Application to Connect to Sewer at time of Permit Issuance
308 EDU's available for Property Connection	308	0	
USER AGREEMENTS - Anticipated @ Sign-up 100%			
<b>RESIDENTIAL (R1 &amp; R2)</b>			
<b>SINGLE FAMILY RESIDENTIAL PROPERTIES</b>			
TAP FEE per EDU	\$23,060	\$23,060	
Property Owner Hook-up Costs <small>(NOTE 8)</small>	\$3,500	\$3,500	
TOTAL RESIDENTIAL EDUs = 153	153	0	
<b>NON-RESIDENTIAL</b>			
TAP FEE per EDU	\$23,060	\$23,060	
Property Owner Hook-up Costs	\$3,500	\$3,500	
TOTAL RESIDENTIAL EDUs = 155	155	0	
<b>VACANT LOTS</b>			
TAP FEE per EDU			\$23,060
TOTAL RESIDENTIAL EDUs = 311			\$0.00
<b>SUBTOTAL TAP FEES RECOVERED</b>	<b>\$7,102,480</b>	<b>\$0</b>	<b>\$ -</b>
<b>TOTAL TAP FEES RECOVERED</b>			<b>\$ 7,102,480</b>
		DEQ / VRA Loan Amount	\$ 7,102,000
		Project Life Cycle - Capital Cost Recovery (Projected)	\$ 480

NOTE 8: Property Owner hook-up costs estimated between \$1000 and \$3500 and is dependent upon distance from building to STEP tank and individual Contractor employed by Property Owner. Only Residential property owners may qualify for subsidized hook-ups.

CATLETT - CALVERTON PROJECT MANAGEMENT TEAM  
 PROGRESS MEETING  
 November 12, 2014

Attendees:

NAME	Email or Phone
Eldon James	e.james7@earthlink.net
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Seanne Puricelli (phone)	
Sue Rowland (phone/in person)	

