



# Utilities Fund - Five Year Financial Plan

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Stafford County Government

Board of Supervisors

January 18, 2022

# Fiscal Year 2023

By the Numbers



**7.9%**  
System Growth  
in 5 years  
(100 miles)



**120K**  
Population  
Served



**6,009**  
Hydrants



**12,811**  
Maintenance  
Holes

**\$1 BILLION  
ASSET**  
Total System Value  
that is steadily  
increasing.



**3.65**  
Billion Gallons  
of Sewage  
Treated



**546**  
Miles of  
Sewer Line



**36,177**  
Sewer  
Customers



**3.72**  
Billion Gallons  
of Drinking  
Water Treated

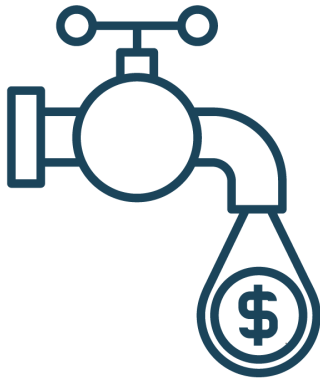


**717**  
Miles of  
Water Line



**39,724**  
Water  
Customers

# Utility Sustainability



- Utilities Fund is Self-Supporting (enterprise fund)
  - Operations and 3R capital funded by user fees/operating revenues
  - Expansion capital projects and debt service funded by availability and pro rata fees
- Board Adopted Utilities Fund’s Financial Policies designed to provide stability while avoid large rate increases
  - Rates are set to insure long term financial sustainability of the system
  - Rate Adjustment = At least 75% of Consumer Price Index (CPI) – Water and Sewerage Maintenance
  - 3.2% increase in CPI index over the past year
- Findings of the Rate Study will be presented during the FY2023 budget process
  - FY2023 Rate increase of 2.5% to maintain consistency with fiscal policy
  - Maintain pace with Inflation

# Current Efforts



## 2018 Master Plan

- Master plan focused on **system expansion requirements due to growth**
  - Treatment Plant Capacities, Water and Sewer system expansions and Water Supply Planning
  - Limited focus on Repair/Rehabilitation/Replacement (3R Program)

## FY21 Benchmarking Study

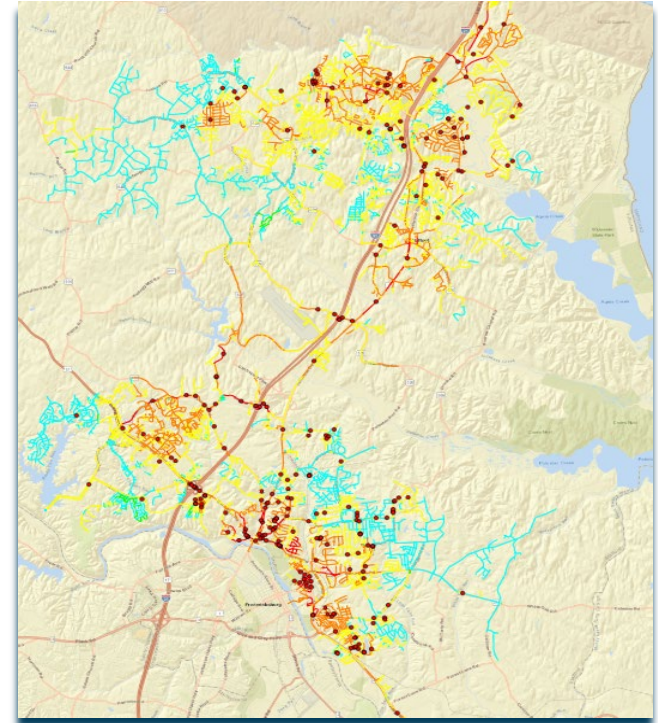
- Stafford Utilities compared itself against other water and wastewater utilities in over 100 categories
  - High Marks: Operations and Maintenance costs per account, water main breaks, employee turnover
  - Low Marks: Renewal and Replacement Rate (3R scored in the bottom 25%), Planned Maintenance Ratio, Need for increased Asset Management, retirement eligibility, GIS/IT/HR Recruitment and Finance Support
  - 5-year staffing plan developed

## COVID-19 Impacts

- Job market challenges, halting staffing plan implementation
- Inflation increases impacting commodity costs
- Supply chain and distribution disruptions

# Future Goals

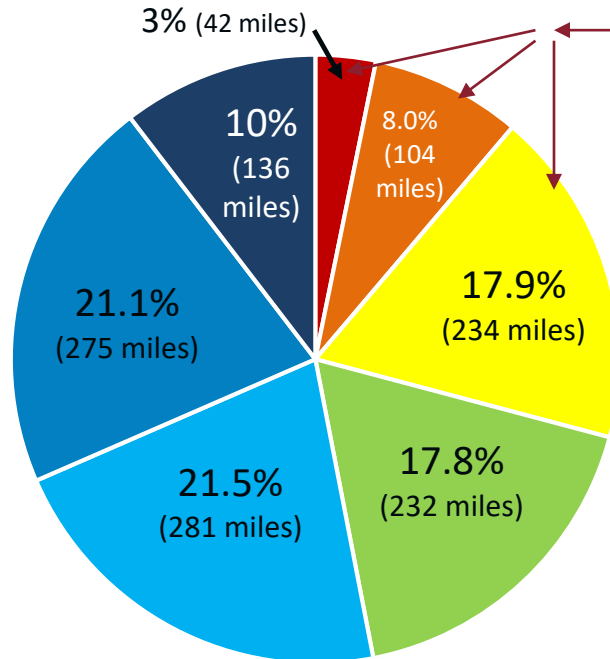
- **Revise Water and Sewer Masterplan**
  - 5-year update cycle, complete by mid-2023
  - Ensures the masterplan is consistent with the Comprehensive Plan
  - Encompass changes into future CIP
  - Adjust Pro-Rata rates to keep up with market conditions
- **Asset Management Plan**
  - Trending best practice
  - Need identified during benchmarking study
  - Use metrics to enhance our 3R and Asset Management Programs



# Need for Asset Management

AGE OF PIPE (YEARS)

■ 60 ■ 50 ■ 40 ■ 30 ■ 20 ■ 10 ■ 1



- Asset Management Plan to help recommend 3R projects
- 3R Program intended to replace infrastructure at the end of its life cycle
- **1304** miles of water and sewer pipe
  - 50 years – Average lifespan
  - 28% will hit 50 years within the decade
- **4** Treatment Facilities
  - 3 Facilities are 30+ years in age
- **96** Sewer Pumps Stations
  - Average age is 30 years
- Focus on increased Asset Management

# FY 2023 – FY 2027 Utilities CIP

## Capital Improvement Plan (CIP)

### Increase in Capital Improvement Plan (CIP)

- Project cost increases- steady increase in costs over the past year
- Annual escalators consistent with General Fund

### \$167.9 Million

- **\$77.8M** Water
- **\$86.1M** Wastewater
- **\$4.0M** Space planning, equipment, & vehicles
- Bonds proposed for large scale projects

## \$167.9 million

### 1/3 of spending for Economic Development and Growth

- Centreport Parkway Area largest driver
- Water improvements - \$9.0M and \$14.0M in previous years
- Sewer improvements - \$9.1 M

### 2/3 of CIP spending associated with 3R

- 3R (treatment plant upgrades)
  - \$11.1M for the Water Plants
  - \$46.2M Wastewater Treatment Facilities
- 3R (linear pipe, pump stations and other improvements) - \$63.8M

# Personnel

## FY23

- Utilities Project Manager (Combined 3R and Capital)
- Water Plant Operator

## FY24

- Safety Officer (Utilities Only)
- Instrument/Control Technician

## FY25

- SCADA, Network & Tech Specialist
- Utilities Inspector
- Wastewater Plant Operator (2)

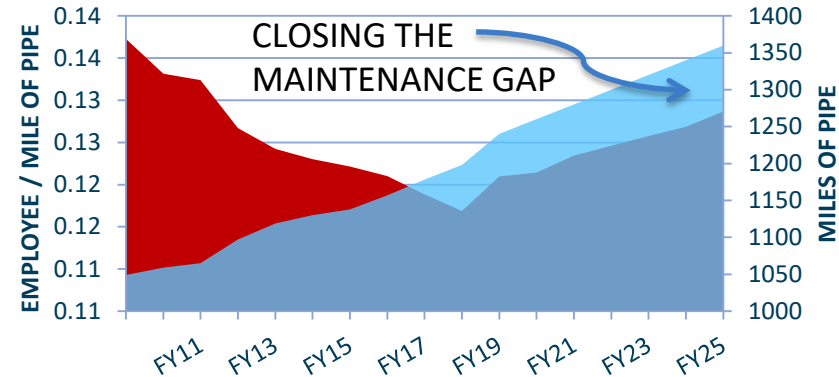
## FY26

- Asset Management Engineer
- Administrative Specialist

## FY27

- Utilities Line Locator
- Instrument/Control Technician

## Employees / Miles of Pipe







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# QUESTIONS

STAFFORD  
*Virginia*