

RWSA BOARD OF DIRECTORS
Minutes of Regular Meeting
February 23, 2004

A regular meeting of the Rivanna Water and Sewer Authority (RWSA) Board of Directors was held on Monday, February 23, 2004, at 2:01 p.m., in the Conference Room, Administration Building, 695 Moores Creek Lane, Charlottesville, Virginia.

Board members present: Mr. William Brent, Mr. Michael Gaffney – Presiding, Mrs. Judith Mueller, Mr. Gary O’Connell and Mr. Robert Tucker.

Authority staff present: Ms. Anne Bedarf, Mr. Richard Defibaugh, Mr. Norman Wescoat, Ms. Jennifer Whitaker, Mr. Robert Wichser, Mr. Lonnie Wood and Mrs. Mary Knowles.

Also present: Mr. David Anhold – Consultant, Mr. Stephen Bowler – Natural Resources Manager for Albemarle County, Mr. Bob Crickenberger, Deputy Director of Albemarle County Parks and Recreation, Mr. Edward Martella – Director of Homeland Security for Tectonic Engineering Consultants, Mr. Pat Mullaney – Albemarle County Parks and Recreation Director, Mr. Kurt Krueger – RWSA Attorney, members of the public and media representatives.

1.0 Call To Order

The regular meeting of the RWSA Board of Directors was called to order by Mr. Michael Gaffney on Monday, February 23, 2004 at 2:01 p.m., and a quorum was present.

2.0 Minutes Of Previous Board Meeting

Mr. Gaffney noted one amendment to the minutes of the regular Board meeting held on Monday, January 26, 2004. He stated that the minutes should reflect his request for the consultants to redo the demand projections and the consultants’ agreement to make that revision. Upon a motion by Mr. O’Connell, and seconded by Mrs. Mueller, the Board of Directors by a 5 – 0 vote approved the minutes of the regular Board meeting held on Monday, January 26, 2004, as amended.

3.0. Items From The Public

There were no items from the public.

4.0 Consent Agenda

Mr. Gaffney asked if there were any items that the Board members would like to pull for questions or further discussion from the Consent Agenda.

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4.0 Consent Agenda Cont.
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- 4a) Staff Report on Finance
- 4b) Staff Report on Operations
- 4c) Staff Report on On-going Projects
- 4d) Community Water Supply Plan Update

In regards to **Item 4a), Staff Report on Finance**, Mr. Brent was in agreement with staff comments that it is practical to use surplus funds to offset future capital costs. He pointed out that those reserves were being generated through the user fees, which are based on volume. He further stated that each party's benefit of the capital projects might not be proportional to its user fee contribution. Mr. Brent recommended that a City reserve and an Albemarle County Service Authority reserve be created so that the user fees could be applied appropriately. Mr. Wood was in agreement with Mr. Brent's recommendation.

Mr. O'Connell inquired if the usage of the surplus funds would be included in the budget recommendations. Mr. Wood stated that budget recommendations would occur before the end of the fiscal year, and the amount of the surplus would not be known at that time. He added that this issue would be addressed today during the mid-year summary.

In regards to **Item 4b), Staff Report on Operations**, Mr. O'Connell read from the report a section dealing with a Virginia Department of Health inspection of Rivanna treatment plants which stated "... Water Treatment Plants were found to be well maintained and in good operating condition. It is obvious that the operating staff take pride in their work and their job seriously." Mr. O'Connell commented that he was pleased with the recognition of RWSA staff performance by an outside agency. Mr. Gaffney added that it was great to read such a complimentary report and thanked Mr. O'Connell for highlighting this staff achievement.

In regards to **Item 4d), Community Water Supply Plan Update**, Mr. Wood commented that over the last few weeks, presentations have been made to the Albemarle County Board of Supervisors, the Albemarle County Service Authority Board of Directors and the Charlottesville City Council to provide an update on this project. He stated that positive feedback was received from the presentations, and he wanted to thank Mr. Gaffney for his assistance in preparing and presenting the material. Mr. Tucker also commended Mr. Wood and Mr. Gaffney on their efforts and stated that the Board of Supervisors was very impressed with the presentation. Mr. Gaffney reported that he would be making additional presentations to local interest groups and organizations.

Upon a motion by Mr. Tucker, and seconded by Mr. Brent, the Board of Directors by a 5 – 0 vote approved Items 4a), b), c) and d) of the Consent Agenda.

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5.0 Other Business

In regards to **Item 5a), Mid-Year Review**, Mr. Wood stated that with the new fiscal year approaching and a review of proposed rates and the supporting budget scheduled for next month, he felt that this would be a good opportunity to provide a summary of projects RWSA staff have been working on over the past six or seven months other than the Community Water Supply Plan, which has been the main focus over the past several Board meetings. He stated that he would begin with a summary of the financial and administrative items, followed by a report on operations by Mr. Wichser and concluding with a discussion on environmental and safety issues by Ms. Bedarf.

Mr. Wood stated that a Request for Proposal went out in June to hire a new Financial Advisor, and the Authority selected Davenport and Company to replace RWSA's long-standing advisors who were based out of New York. He further stated that RWSA immediately began assessing refinancing opportunities on the Authority's existing debt and identified the Series 1993 bond issue for a partial refunding. Mr. Wood added that in September, the Authority executed a refinancing of \$10 million of the 1993 bonds for a total savings of \$675,000 over a ten-year period.

Mr. Wood reported that RWSA currently has a significant budget surplus mainly due to two factors. He stated that the Authority's budget funded the debt service of a new \$16,800,000 revenue bond issue. He further stated that although the bond would not be issued this fiscal year, a temporary line of credit is being used to fund the capital projects at this time. He added that this has resulted in lower debt service costs. Mr. Wood commented that there is still a need for the bond; however, the results from the recent re-evaluation of the water supply alternatives have changed the timing of the issuance and the subject would be addressed in the new budget year.

Mr. Wood also reported that the other factor driving the surplus is the volume of wastewater treated. He stated that RWSA treated roughly 20 percent more wastewater than was anticipated in the budget, which presents an inherent challenge when budgeting wastewater revenues based on flows. He referred to Mr. Brent's earlier statement concerning addressing a volume issue versus a debt service matter.

Mr. Wood next focused on the issue of what to do with this surplus. He stated that he was advising that the Authority wait until the end of the current fiscal year, conduct the year-end audit and then return to the Board with options. He further stated that some of the surplus could be used to offset the total bond issue amount. Mr. Wood commented that he has asked the Authority's financial advisors to examine Rivanna's financial condition as it related to working cash needs and reserves, which might be an option to explore further to achieve targets that the Board might want to consider.

Concerning personnel matters, Mr. Wood reported that the Authority has successfully filled several positions. He stated that Ms. Jennifer Whitaker started her employment with

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Rivanna in August as the new Chief Engineer, and engineering technicians were hired for the new positions funded in the current budget. He added that the Engineering Department has been moved to a new location next to the maintenance shop. Mr. Wood further stated that interviews for a new Watershed Manager have been completed, and the position should be filled in the near future. He commented that this position would not only increase Rivanna's resources to accomplish its water supply and watershed objectives but could also be a key tool to the Albemarle County Service Authority, the City and the County on drought management and conservation efforts.

Mr. Wood then reported on the Executive Director search. He stated that during the past several months, Rivanna and the Board have been working with a management consultant in the search process. He further stated that he was pleased to announced that arrangements have been made to have the top candidates selected by the Board to visit the Authority on March 4 and 10, 2004, at which time they would be given a tour of Rivanna facilities and then interviewed by the Boards of Directors of the Authority and the Solid Waste Authority. Mr. Wood added that a citizens panel would also have an opportunity to meet and conduct interviews with the candidates on those dates.

Mr. Wood then asked Mr. Wichser to present his review of water and wastewater operations at this time.

Mr. Wichser reported that in 2003, RWSA produced 3.5 billion gallons of pure drinking water and had only one violation for the entire year. He further stated that the Authority produced 4.3 billion gallons of purified wastewater during 2003 with zero notices during that time frame. He added that Rivanna maintained production and reliability of the public water supply and wastewater treatment during the hurricane, which included pre- and post-storm evaluation of dams and impacts on operations. Mr. Wichser commented that we were one of the few communities impacted by the storm that fully maintained potable water and fire flow protection 100 percent of the time.

Mr. Wichser then summarized the 2003 projects as follows:

- Developed and implemented Request for Proposals for Community Water Supply Plan, Moores Creek Administration Building HVAC System, and Moores Creek Pre-treatment.
- Initiated/reviewed and finalized the new legal team for the Community Water Supply Plan.
- Conducted EPA-mandated Vulnerability Assessments and in-depth safety/environmental inspections on all water and wastewater facilities.
- Transitioned the RWSA Engineering staff (purchase and installation of new building and hiring of new staff).
- Continued Rivanna Pump Station scrubber project.

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- Continued regulatory review and impact analysis related to upcoming nutrient removal requirements on Moores Creek Wastewater Treatment Plant.
- Implemented Cryptosporidium Monitoring on Urban Raw Water sources for future compliance with USEPA's SDWA rule.
- Evaluated and recommended rehabilitation alternatives for the Ragged Mountain Dams.
- Only one OSHA reportable employee injury for the year.

Mr. Wichser next detailed strategies that RWSA staff developed from their drought experience, which would only be applied in an extreme drought situation. He pointed out that under normal summer operational conditions, the South Fork Rivanna River (SFRR)/North Rivanna River and Sugar Hollow would be the primary raw water sources.

- Once SFRR dam spillage stops:
 - Release from SFRR dam mud gates after a wet-weather event would be halted unless the wet-weather event filled the reservoir to 100 percent capacity with spillage.
 - Immediate discussion on initiation of reduction (or halting) of any release would be implemented rather than waiting for the reservoir to reach a specific percent pool level.
 - RWSA would switch over to utilization of Ragged Mountain reservoir. Once Ragged Mountain reservoir stops spilling, a switch over would be made to maximum utilization of water transfer from Sugar Hollow reservoir to Observatory Water Treatment Plant. Once draw down of Sugar Hollow continues to the point that water quality prevents further use, Rivanna would switch back to maximum utilization of Ragged Mountain reservoir in concert with draw down of the SFRR. (The possible future Observatory pump station and plant upgrade would complement this operational tool.) *It is generally preferred by RWSA to strike a balance between SFRR and Sugar Hollow, with Ragged Mountain use set at a low priority, due to its low recharge rate. RWSA would also recommend consideration of halting the Sugar Hollow release, presently at 80 percent trigger level, if drought conditions are prolonged.*
- Once long-term meteorological forecasts are reviewed, RWSA would recommend that public involvement with water conservation measures be expedited. Move from voluntary measures into mandatory measures more quickly.
- Further utilize the North Rivanna water source to the maximum extent possible.
- Expectation that the utilization of the developed in-house Hydrodynamic Water Resource Model would better balance and predict the overall management of the urban water system.

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- Future consideration could include augmentation of water supply from subordinate sources if possible; i.e., Chris Green Lake, etc.

Mr. Wichser noted that once the final long-term Community Water Supply structures and drought operational triggers have been mandated, the above scenario could change.

Per Mr. Gaffney's request for clarification, Mr. Wichser confirmed that this scenario would be implemented only during an extreme drought situation that statistically occurs approximately every 50 years.

Mr. Wichser concluded his presentation with an overview of projects at the Rivanna facilities, which dealt with improving water quality and wastewater treatment operations, increasing production, enhancing security and meeting regulatory requirements.

Mr. O'Connell requested a copy of Mr. Wichser's report, and Mr. Wichser stated that he would email him the material.

Ms. Bedarf next gave her report on environmental and safety functions. She stated that since Mr. Wichser highlighted RWSA's environmental efforts, she would be concentrating on Environmental Management System (EMS) activities. She further stated that the Board approved the Rivanna Environmental Policy in January 2002, which committed the Authority to compliance, pollution prevention, watershed management and partnerships, as well as to the EMS process. Ms. Bedarf added that EMS ties all those components together with health and safety issues. She commented that the EMS commitment was one of the key responsibilities of her position when she was hired in July 2002.

Ms. Bedarf stated that she submitted an application and Rivanna was accepted into an EPA-sponsored program, which was specifically designed for local municipalities and local governments, and includes the City of Charlottesville. She reported that the process began in January 2003 with the Moores Creek Wastewater Treatment Plant, including administration, laboratory, maintenance and compost functions, being chosen as the fenceline for program implementation. Ms. Bedarf added that the Core Team facilitates the EMS effort and is composed of staff with diverse experience, which has been of assistance throughout the process. She commented that with ten months remaining in the pilot, RWSA is more than halfway through the implementation phase.

Ms. Bedarf further reported that the Core Team has concentrated its efforts the past few months on identifying and analyzing 60 plus activities that impact the environment. She stated that the activities were then ranked according to their potential impact based on release to the environment, as well as health and safety issues and public perception. Ms. Bedarf pointed out that the impact could be either positive or negative. She commented that the Core Team would be focusing its efforts during the remainder of the implementation

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phase on the seven significant environmental aspects listed in Table 1 of her report. She also stated that the process involved ensuring that proper documentation, training, and emergency response procedures were established, as well as setting targets for improvement in these areas. Ms. Bedarf added that an implementation team would be formed for each significant aspect and would include employees throughout the organization, which she felt was important to the successful implementation of EMS.

Ms. Bedarf described the outreach activities being undertaken through the Steering Committee, which is composed of staff from Albemarle County and the Albemarle County Service Authority, as well as members of the public.

Ms. Bedarf stated that benefits realized to date from its EMS efforts included increased communication, improved employee knowledge on activities and processes, and better documentation of institutional knowledge.

Ms. Bedarf commented that RWSA would be co-hosting the next EMS workshop with the City of Charlottesville in July 2004. She stated that in addition to EMS participants, Board members were also welcome to attend the sessions.

Ms. Bedarf added that RWSA looks forward to its continuing implementation of the EMS program through January 2005 and will keep the Board informed of its progress.

Concerning Safety functions, Ms. Bedarf reported that there was one OSHA reportable accident during 2003. She pointed out that Rivanna has a safety incentive program that awards employees for submitting safety suggestions or reporting unsafe conditions. She commented that this year eight safety suggestions were implemented. Ms. Bedarf further stated that an environmental incentive program would also be instituted, whereby awards would be given on a quarterly basis.

In regards to **Item 5b), Request for New Boat Ramp at South Fork Rivanna Reservoir**, Ms. Whitaker introduced Mr. David Anhold, who is a consultant for Albemarle County, Mr. Pat Mullaney, Albemarle County Parks & Recreation Director, and Mr. Bob Crickenberger, Deputy Director of Albemarle County Parks & Recreation, who were in attendance today to present this request for a boat launch facility on approximately five acres immediately adjacent to the South Fork Rivanna Water Treatment Plant and the South Fork Rivanna Dam.

Mr. Pat Mullaney gave a brief history of the County's 20-year search for a boat launch on the Rivanna Reservoir and explained why they were proposing a boat launch at this particular site. He stated that his Department has a long-standing relationship with Rivanna, and it is hoped that an agreement could be reached on this project.

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Mr. David Anhold of Anhold & Associates next gave an overview of the plan, utilizing a drawing that depicted the location of the proposed boat launch area. He stated that plans are to expand and improve the existing boat launch with increased parking and public access to the site.

In response to a question from Mr. O'Connell, Mr. Mullaney stated that the biggest difference between the original plan and the one being proposed today was a change in the location of the boat ramp. He also stated that additional fencing and security lighting were included in the present plan. Mr. Wichser added that RWSA requested that the security lighting be pre-wired to support a remote camera, project fencing be merged with the Rivanna facility fencing structure, floating buoys installed, a storm-water trap/detention/treatment system provided to prevent auto/truck-related by-products to run off into the reservoir and closure of the facility to public during times of heightened security conditions. Mr. Anhold added that the facility's design accommodates an 8-foot rise in normal pool elevation and takes into account the 100-year floodplain. Mr. Mullaney commented that their goal was to acquire the new boat launch facility, and in the process, improve RWSA's current situation at that site.

In response to a question from Mr. O'Connell, Mr. Mullaney stated that the new facility would resemble what is currently available at Chris Green Lake, Beaver Creek and Walnut Creek Parks. Mr. Tucker asked if the facility gates would be locked after dark, and Mr. Mullaney replied in the affirmative. Mr. Gaffney inquired if the proposal would change, in any way, the current access to the area from Woodlands Road. Mr. Mullaney stated that he believed the intent was to close off that access once the facility became operational. Mr. O'Connell inquired as to how the project would be funded. Mr. Mullaney responded that tourism funds would be used for this venture. Mrs. Mueller asked if any congestion concerns had been raised due to the increase in boat traffic this facility would generate. Mr. Mullaney stated that due to the size of the area and the security measures to be implemented, he felt this would not be a problem.

Mr. Tucker asked if the County's proposal met all of Rivanna's security requirements. Mr. Wichser stated that after weighing the security issues versus development of this site for the community's recreational benefit, he was recommending that Albemarle County move forward on this project. Ms. Whitaker added that RWSA's security consultant was in attendance today to discuss with the Board in closed session the issues of security related to all of Rivanna's water structures. She further stated that if the Board wanted to pursue this issue further, the option was available to them at that time.

Mr. Gaffney inquired as to what procedures were in place to handle the situation of someone getting locked inside the facility after dark. Mr. Golladay informed the Board that signs are posted on the gates outside RWSA's facilities listing the telephone number for the Plant Operator who would assist the public in such a situation.

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Mr. Merrill Bishop expressed concern with the amount of trash that could be generated from the increased public access to the site and asked if there were any type of litter control in this plan. Mr. Mullaney responded that it would be the County's responsibility to provide this service. Mr. Tucker added that this proposal would provide an opportunity to better monitor the site, as it is no one's responsibility at the present time for trash collection.

Mr. O'Connell moved, which was seconded by Mr. Tucker, that the Board of Directors authorize the Albemarle County Department of Parks and Recreation to move forward with the plan as proposed today for the development of a new recreation boat launch facility on a five-acre site adjacent to the South Rivanna Water Treatment Plant and Dam facility, contingent upon the Board's security concerns being satisfied by discussions with the consultant during the closed session. By a 5 – 0 vote, the motion was approved.

In regards to **Item c), Citizens Advisory Committee Report – Role and Membership Vacancies**, Mr. Gaffney asked Mr. Merrill Bishop, Citizens Advisory Committee member, to come forward at this time to give the report.

Mr. Bishop reported that the Citizens Advisory Committee (CAC) was seeking Board assistance in clarifying the appropriate role of the CAC relative to both RWSA and the community. He noted that he is the only member remaining out of eight, who were attempting to provide technical expertise to the Board. He further stated that in the two years that he has served on the Committee, he was disappointed that the membership had not developed sufficient knowledge of RWSA operations in order to function as an effective liaison for the Authority. Mr. Bishop added the CAC felt that a reassessment of its role and traditional composition based on designated customer categories should be conducted prior to selecting the new membership. He commented that under the current charter, the pool of qualified individuals is reduced by the selection criteria.

Mr. Bishop concluded by stating that the CAC has enjoyed working with RWSA staff during the development of the Community Water Supply Plan, but the Committee feels that its charter needs to be more clearly defined in order to be of maximum assistance to the Authority as it moves forward with these projects.

Mr. O'Connell commented that he felt the reassessment of the CAC charter would be an appropriate task for the new Executive Director. Mr. Gaffney expressed agreement with Mr. O'Connell's statement and added that he felt there was a need to fill the vacancies prior to that process.

Mr. Brent stated that when the CAC was formed, a great deal of study and deliberation took place to determine the best way to create a group that could provide dialog and act as a sounding board for the Authority and represent the concerns of the community. He further stated the Committee was charged with providing that two-way communications between

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the Authority and the category of customers which they represented. He added that the CAC consists of representatives from the industrial, commercial, and institutional segments of the community, as well as the residential constituents, which is the largest customer base. Mr. Brent also stated that the Committee needed to have a realistic expectation of the topics that they would be addressing and the fact that there would not always be urgent issues that required their input. He pointed out that the CAC was not intended to be a technical committee but was created for the purpose of facilitating communications with the community.

6.0 Other Items From Board/Staff Not On Agenda

There were no other items from the Board or staff not on the Agenda.

7.0 Closed Meeting

Upon a motion by Mr. Tucker, and seconded by Mr. O'Connell, the Rivanna Water & Sewer Authority Board of Directors voted to enter into a closed meeting as permitted under Section 2.2-3711.A.20 of the Code of Virginia to discuss the Vulnerability Assessment prepared by a consultant to the Authority. By a 5 – 0 vote, the motion was approved.

ATTENDEES: Mr. Brent, Mr. Gaffney, Mrs. Mueller, Mr. O'Connell, Mr. Tucker, Mr. Krueger, Mr. Wood, Mr. Wichser, Mr. Defibaugh, Mr. Golladay, Ms. Whitaker and Mr. Martella (Consultant with Tectonic Engineering Consultants).

8.0 Resumption of Open Meeting

The Rivanna Water & Sewer Authority Board of Directors meeting reconvened at 3:50 p.m.

Mr. Brent made the following motion, which was seconded by Mr. O'Connell:

“**WHEREAS**, the Rivanna Water & Sewer Authority Board of Directors has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and,

WHEREAS, Section 2.2-3712.D of the Code of Virginia requires a certification by the Rivanna Water & Sewer Authority Board of Directors that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED that the Rivanna Water & Sewer Authority Board of Directors certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Rivanna Water & Sewer Authority Board of Directors.”

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**8.0 Resumption of Open Meeting Cont.
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There being no further discussion, Mr. Gaffney, called for a roll call vote:
Mr. Brent – Aye, Mr. Gaffney – Aye, Mrs. Mueller – Aye, Mr. O’Connell – Aye and
Mr. Tucker – Aye.

9.0 Adjournment

There being no further business, Mrs. Mueller moved the meeting be adjourned, seconded
by Mr. Brent. All members voted aye, and the meeting was adjourned at 3:51 p.m.

Respectfully submitted,

Mr. Robert Tucker
Secretary - Treasurer