

RWSA BOARD OF DIRECTORS
Minutes of Regular Meeting
June 28, 2004

A regular meeting of the Rivanna Water & Sewer Authority (RWSA) Board of Directors was held on Monday, June 28, 2004, at 2:00 p.m., in the Conference Room, Administration Building, 695 Moores Creek Lane, Charlottesville, Virginia.

Board Members Present: Mr. William Brent, Mr. Michael Gaffney – Presiding, and Mrs. Judith Mueller.

Board Members Absent: Mr. Gary O’Connell and Mr. Robert Tucker.

Authority Staff Present: Ms. Anne Bedarf, Mr. Richard Defibaugh, Mr. Bruce Edmonds, Mr. Tom Frederick, Mrs. Mary Knowles, Ms. Kathy Ware, Mr. Norman Wescoat, Ms. Jennifer Whitaker and Mr. Robert Wichser.

Also Present: Mr. Stephen Bowler – Natural Resources Manager for Albemarle County, Mr. Mark Graham – Community Development Director for Albemarle County, 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, June 28, 2004 at 2:00 p.m., and a quorum was present.

Mr. Gaffney welcomed fellow Board members and the members of the public who were in attendance at today’s meeting.

Mr. Gaffney also recognized and welcomed Mr. Tom Frederick, new Executive Director for RWSA and RSWA, who was attending his first Board meeting. Mr. Gaffney noted that Mr. Lonnie Wood, who served as the Interim Executive Director until Mr. Frederick came on board, was on vacation and not able to attend today’s meeting.

2.0 Minutes Of Previous Board Meeting

Upon a motion by Mrs. Mueller moved, and seconded by Mr. Brent, the Board of Directors by a 3 – 0 vote approved the minutes of the regular RWSA Board meeting held on Monday, Mary 24, 2004.

4.0 Items From The Public

There were no items from the public.

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5.0 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.

- 5a) Staff Report on Finance
- 5b) Staff Report on Operations
- 5c) Staff Report on On-going Projects
- 5d) Community Water Supply Plan Update

Upon a motion by Mr. Brent, and seconded by Mrs. Mueller, the Board of Directors by a 3 – 0 vote approved Items 5a), b), c) and d) of the Consent Agenda.

3.0 Executive Director's Report

Mr. Frederick provided an update for the benefit of the Board and members of the public on the issues of instream flows and integrated resource planning and The Nature Conservancy's role in this effort. These issues were discussed during the public comment period at the May 24, 2004 Board meeting but were not on the formal agenda for today's meeting.

Mr. Frederick reported on RWSA staff contacts with Mr. Stephen Bowler and The Nature Conservancy. He stated that Mr. Bowler provided helpful information on these issues, particularly on the assistance The Nature Conservancy could provide RWSA during this process. Mr. Frederick and Mr. Wichser met with The Nature Conservancy staff last week, and a detailed discussion was held on collaborative approaches that could be undertaken during this endeavor.

Mr. Frederick stated that the initiative is moving forward toward the preparation of a report by RWSA staff. The report would be presented to the Board as soon as the program time frame and estimated costs were defined.

6.0 Other Business

In regards to **Item 6a), Line of Credit Renewal**, Mr. Frederick reported that on July 30, 2003 a \$6,000,000 Line of Credit was established between RWSA and the Bank of America, pending an upcoming bond issuance. He stated that RWSA's expenditures had not progressed at the anticipated rate. To date, the Authority has drawn \$354,993 from the line of credit, the majority of which was for water supply projects.

Mr. Frederick stated that RWSA is requesting that the Board adopt the resolutions attached to this report to extend the line of credit for another one-year term through June 30, 2005. Engineering estimates on capital improvement projects would be provided to the Board within the next few months in preparation for a bond issue.

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6.0 Other Business Cont.
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Proceeds from this bond issue would be used to pay off the \$6,000,000 line of credit.

Mr. Brent inquired if counsel had reviewed the loan documents. Mr. Krueger stated that he drafted the resolutions and had examined the loan documents, and they were in signature form. He also affirmed that the documents merely extended the term of the line of credit until June 30, 2005.

Upon a motion by Mr. Brent, and seconded by Mrs. Mueller, the Board of Directors voted to approve the following resolution to renew the temporary line of credit for \$6,000,000 for another one-year term through June 30, 2005:

**“LINE OF CREDIT RENEWAL
RESOLUTIONS**

RESOLVED that the Rivanna Water and Sewer Authority (the “Authority”) (i) enter into a First Amendment to Revolving Credit Agreement (the “First Amendment”), amending the Revolving Credit Agreement with Bank of America, N.A. (the “Bank”) dated as of July 31, 2003 to extend the expiration date thereof to June 30, 2005 (as so amended, the “Credit Agreement”) and (ii) execute an Amended and Restated Promissory Note (the “Amended Note”) in the principal amount of \$6.0 million evidencing a revolving line of credit in such amount (the “Line of Credit”) extended to the Authority by the Bank pursuant to the Credit Agreement to finance certain Project Costs as defined in the Credit Agreement; and

RESOLVED, that the First Amendment and the Amended Note, each substantially in the form of the drafts presented to the Board of Directors, are authorized and approved in all respects, with such changes therein as the officer or officers executing the same shall approve; and

RESOLVED, that the Chairman of the Board, the Executive Director, the Director of Finance and Administration, the Secretary and the Assistant Secretary are each hereby authorized in the name of and on behalf of the Authority to execute and deliver to the Bank the First Amendment and the Amended Note; and

RESOLVED, that the Chairman of the Board, the Executive Director, the Director of Finance and Administration, the Secretary and the Assistant Secretary are each hereby authorized to execute and deliver such other documents and instruments and to take such other and further

actions as may be in any way necessary or appropriate to extend the Line of Credit and to effectuate the foregoing resolutions and to carry out the purposes thereof, and that the taking of any such action and the execution by such individuals of any such additional documents or instruments shall conclusively evidence the due authorization thereof by the Authority.”

Prior to the vote, Mrs. Mueller asked if her understanding that a bond issuance would occur prior to June 30, 2005 was correct. Mr. Frederick stated that the terms of this agreement suggest that proceeds from a bond issuance would be used to pay off the \$6,000,000 line of credit on June 30, 2005. The temporary line of credit would need to be extended again next year if the bond issuance did not occur.

VOTE

AYES: Mr. Brent, Mr. Gaffney, and Mrs. Mueller

NAYS: 0

ABSENT DURING VOTE: Mr. O’Connell and Mr. Tucker

ABSENT DURING MEETING: Mr. O’Connell and Mr. Tucker

7.0 Other Items From Board/Staff Not On Agenda

Mrs. Mueller commended Ms. Anne Bedarf and RWSA staff for their commitment to the Environmental Management System (EMS) process as demonstrated by their large representation and participation at the EMS Workshop held at The Omni Hotel for three days last week. She also complimented Ms. Anne Bedarf on the social activities that she organized in conjunction with the workshop, specifically the after hours, private tour of Monticello, which included rooms not ordinarily open to the public. Mrs. Mueller felt it was a great opportunity for field-level staff to interact and exchange ideas with participants from other public entities around the country who were also building EMS systems. As a Board member, Mrs. Mueller expressed her appreciation for Rivanna’s efforts as she felt it was an important endeavor.

Mr. Brent noted that the obituary for Mr. Paul B. Krebs appeared in the Sunday and today’s editions of *The Daily Progress*. He explained for those not familiar with Mr. Krebs that he was a highly respected engineer and could be considered “the father” of the public water and wastewater systems in Charlottesville. All of the modern water and wastewater facilities serving the urban area could be attributed to Mr. Krebs’ design.

7.0 Other Items From Board/Staff Not On Agenda Cont.
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Mr. Brent moved that the Board prepare a resolution to adopt acknowledging Mr. Krebs' contributions to this community and express its condolences to his family. Mr. Brent further moved that the Secretary of the Board send such a resolution to Mr. Krebs' family. The motion was seconded by Mrs. Mueller, and the motion was approved by a 3 – 0 vote.

8.0 Closed Meeting

There was no need for a closed meeting.

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 2:11 p.m.

Respectfully submitted,

Mr. Robert Tucker
Secretary - Treasurer