

DRAFT 2

**RWSA BOARD OF DIRECTORS
Minutes of Regular Meeting
October 25, 2004**

A regular meeting of the Rivanna Water and Sewer Authority (RWSA) Board of Directors was held on Monday, October 25, 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, Mr. Gary O’Connell, and Mr. Robert Tucker.

Board Member Absent: Mrs. Judith Mueller

Authority Staff Present: Ms. Anne Bedarf, Mr. Bruce Edmonds, Mr. Tom Frederick, Mrs. Mary Knowles, Ms. Michelle Simpson, Ms. Jennifer Whitaker, Dr. Robert Wichser, and Mr. Lonnie Wood.

Also Present: Mr. Mark Graham, Albemarle County Community Development 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, October 25, 2004 at 2:01 p.m., and a quorum was present.

2.0 Minutes Of Previous Board Meeting

Upon a motion by Mr. Tucker, and seconded by Mr. O’Connell, the Board of Directors by a 3 – 0 vote approved the minutes of the regular Board meeting held on Monday, September 27, 2004. Mr. Gaffney abstained from the vote due to his absence from that meeting.

Upon a motion by Mr. Tucker, and seconded by Mr. O’Connell, the Board of Directors by a 4 – 0 vote approved the minutes of the special meeting of the Board held on September 21, 2004 concerning the Public Meeting on the Community Water Supply Plan Update.

3.0 Executive Director’s Report

Mr. Frederick first briefed the Board concerning ongoing issues not included on today’s agenda.

Mr. Frederick stated that RWSA staff spent a considerable amount of time during the past month working on a proposed Financial Policy and a proposed Capital

Improvement Plan (CIP). These documents have progressed to the point where they would be presented for the Board's initial consideration at the November meeting. Areas that would likely have a significant impact on future capital needs included implementation of the Community Water Supply Plan, the Meadow Creek interceptor, and potential upgrades to the Moores Creek Wastewater Treatment Plant.

Mr. Frederick stated that he was pleased to introduce to the Board of Directors Ms. Andrea Terry, RWSA's new Watershed Manager. Ms. Terry, who was present at today's meeting, began working for the Authority on October 18, 2004. Her key responsibilities would include coordination of the integrated resource planning effort and refinement of a drought management strategy. Ms. Terry has a Bachelor of Science in Biology from Bridgewater College and a Master of Environmental Management from Duke University, plus nine years of experience as a Project Environmental Scientist in consulting with Malcolm Pirnie. The Board welcomed her to the Authority.

Mr. Frederick further reported that discussions have continued with Ms. Becky Christensen, Facilitator, concerning a public participation process for the Community Water Supply Plan. The finalized schedule would be shared with the Board and the public later in the meeting.

Mr. Frederick noted one item that was not included in his written report. He stated that an update on the Sugar Hollow pipeline repair project was included in the Consent Agenda portion of the meeting. The project is progressing well, and no Board action would be needed this month.

4.0 Items From The Public

There were no items from the public.

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 Update

As there were no questions or further discussion, Mr. Tucker moved, which was seconded by Mr. O'Connell, that the Board of Directors vote to approve Items 5a), b), c), and d) of the Consent Agenda. The motion was approved by a 4 – 0 vote.

6.0 Other Business

In regards to **Item 6a, Report on the Use of Beaver Creek Reservoir**, Mr. Frederick stated that at the August Board meeting, RWSA reported on the use of the Beaver Creek Reservoir as an interim drought management strategy as part

of the Community Water Supply Plan. At that time, the Board authorized RWSA to proceed with Items (1) through (3) as outlined in the Board report and submit its findings upon completion of the three steps. RWSA would be presenting that report today, as well as updated information from Gannett Fleming on the use of the Beaver Creek Reservoir as a long-term water supply alternative. Mr. Frederick asked Ms. Jennifer Whitaker, Chief Engineer, to come forward and summarize that report.

Ms. Whitaker noted that since the August Board meeting, Gannett Fleming has completed three different technical studies related to the Beaver Creek Reservoir. The Memorandum report included in today's Board packet summarizes the findings of those studies.

Ms. Whitaker reported that safe yield and drawdown information were the key issues that emerged from the technical studies. Since mid-summer, demand in the Crozet area underwent significant scrutiny. During the evaluation of industrial usage and supply, it was pointed out that the previous demand for the ConAgra facility was about 0.5 MGD. The impacts to safe yield should another industry relocate to the Crozet area, specifically a return to the ConAgra vicinity, were also examined. Based on the projected Crozet area demand figure of about 1.1 MGD, the excess safe yield available for release into the Urban system is about 2.7 MGD. When the actual demand grows to about 1.6 MGD due to industrial impacts, the available safe yield for the Urban system drops to less than 1.0 MGD.

Ms. Whitaker also reported that a concurrent evaluation was performed for the five conditions listed in the Board report based on calculated fluctuations in the reservoir pool during that time period. The findings indicated that the use of Beaver Creek Reservoir to augment the Urban system would increase drawdowns at different levels with an impact of about 1 to 2 percent.

Ms. Whitaker stated that based on these studies, it is being recommended that the Beaver Creek Reservoir not be considered further as part of a long-term water supply for the Urban system. Until the Crozet area reaches a 1.6 MGD demand, which is highly dependent on industrial use, this facility could be viably used as part of a drought management strategy. Drought management actions would be based on an annual assessment of Crozet's needs for any given drought year.

Ms. Whitaker added that Board concurrence is also being requested on the following decisions: (1) removal of the use of Beaver Creek Reservoir from the long-term Community Water Supply plan; (2) authorization to use Beaver Creek Reservoir as an interim drought management measure; and (3) authorize the Executive Director to execute a contract amendment permitting Gannett Fleming to proceed with the design of the physical improvements needed to use the Beaver Creek Reservoir as part of a drought management strategy.

Mr. Gaffney asked Ms. Whitaker if "interim" and "drought management" uses were two separate issues. Ms. Whitaker stated that she believed "drought

management” was the focus. Depending on yearly fluctuations in Crozet’s demand, a drought management plan could be modified for that given year to allow use of the Beaver Creek Reservoir with the understanding that Crozet’s water needs are to be met at all times. Until Crozet’s demand reaches 1.6 MGD, the Beaver Creek Reservoir would be available on an interim basis.

Mr. Tucker asked for further clarification on the definition of “interim use.” Mr. Frederick responded that he viewed “interim use” and “drought management” as the same concept. When this option was discussed two months ago, it was considered an interim measure that could extend the time frame before additional safe yield needed to be in place. Recent data has pointed out the potential uncertainty of utilizing this system on a long-term basis. As long as there was sufficient water to meet all of Crozet’s water needs, the additional safe yield could be used to augment the Urban system during a drought period. Mr. Frederick suggested that “drought management” might be more appropriate than “interim use” when referencing this option. Mr. Brent commented that he felt “drought management” was a better description since the Beaver Creek option would only be used during drought conditions.

To clarify his previous question, Mr. Gaffney stated that “safe yield” and “drought management” were two different issues. Even though water consumption decreased during the recent drought, the effective safe yield needed under normal conditions was still in place. He felt that these two terms were being similarly defined in this strategy through the inclusion of “drought management” strategies into the “safe yield” calculation on a short-term basis.

Mr. Tucker inquired as to what was the current total safe yield at Beaver Creek. Ms. Whitaker responded that Beaver Creek contains an additional 2.7 MGD above the constant 1.1 MGD going to Crozet and an additional 2.7 MGD available for use during a drought. If that system was used completely at Crozet, the number would differ from using Beaver Creek completely for release into the Urban system. The reason for this difference is that Beaver Creek is used on a daily basis at Crozet, whereas the water release to the Urban system would be done over a shorter period of time but with greater intensity. Ms. Whitaker believed that the available safe yield was close to 4.0 MGD, but the numbers were not completely additive.

Mr. Tucker also asked if the 0.5 MGD identified for industrial use was the amount ConAgra was using prior to leaving Crozet. Ms. Whitaker confirmed that was the amount allocated to the ConAgra facility. Mr. Brent added that the 0.5 MGD occurred during ConAgra’s peak water use. Mr. Tucker questioned whether the 0.5 MGD was reserved only for industrial use or could it be used for other purposes if not utilized by another business. Ms. Whitaker stated that the water would be available, but that Mr. Brent would be the appropriate person to address this issue. Mr. Brent stated that after all Crozet’s water needs had been met, the 0.5 MGD would be available for other usage whenever the ConAgra building was torn down (became unusable?).

Mr. Brent commented that earlier discussions indicated there might be more than needed flood storage in the reservoir and inquired if that option was still viable. Ms. Whitaker stated that the consultants were currently in the process of developing the technical memoranda on that strategy. There are several issues associated with excess flood storage, including downstream impacts. Additionally, the anticipated safe yield from an increase in storage is fairly minimal. Details concerning downstream impacts balanced with the amount of safe yield would be included in the technical document. Current data points to less than 0.5 MGD of safe yield from reallocating flood storage.

Mr. Brent further inquired if it was possible to raise the elevation of the existing dam to create a larger pool. Ms. Whitaker stated that it was possible from a purely technical standpoint. Issues concerning the alteration of the dam facility and a VDOT roadway are associated with this option. The amount of additional safe yield gained by raising the dam is also in question due the size and shape of the reservoir. These issues would be addressed in Gannett Fleming's technical documents.

Mr. Tucker noted the section of the Board report which discussed the proposed physical modifications needed to implement this strategy. He stated that changes to the intake gates had been discussed previously and inquired if this was the primary modification. Ms. Whitaker stated the proposed alterations included an underwater diving inspection of all intake gates to ensure operability, installation of a level transducer on the intake structure in order to ascertain the lake level remotely via SCADA, and the development and placement of a weir that could measure flow and transmit that data remotely via SCADA.

In response to a question from Mr. O'Connell concerning the gate modifications, Ms. Whitaker explained that intake gates are positioned at different levels. A channel designed to create backwater through placement of stoplogs is located in the outfall structure. This backwater is then pumped to the Crozet Water Treatment Plant. The weir would be placed in that channel to regulate water released from an opened gate located below the existing water level.

Mr. O'Connell also inquired as to what was Crozet's current water use rate. Ms. Whitaker stated that it was about 0.3 MGD.

Mr. Gaffney referenced the table on page 3 of the report and asked for clarification on the projected safe yield calculations. Ms. Whitaker directed Mr. Gaffney's attention to column 5 of that table. Based on Crozet's current demand of 0.4 MGD, the Urban system safe yield would increase from 12.8 MGD to 15.6 MGD. This figure includes the 2.75 MGD from the Beaver Creek Reservoir. Safe yield numbers could vary based on system fluctuations.

Mr. Frederick explained that authorization for Gannett Fleming to proceed with the design work was being requested today in preparation for the potential use of the Beaver Creek system should the need arise during 2005.

Mr. Brent reported that the Albemarle County Service Authority's engineering staff has reviewed this report and considers it a reasonable recommendation.

Mr. Brent moved, which was seconded by Mr. Tucker, that the Board of Directors concur with the recommendations of RWSA staff and for staff to proceed accordingly, recognizing that a decrease in the projected Crozet area demand of 1.6 MGD would necessitate a reevaluation of this recommendation at that time.

Prior to the vote on the above motion, Mr. Tucker asked if the Ragged Mountain system would need to be out of service during the modification work at the Beaver Creek Reservoir. He expressed concern if this occurred during the summer in a potential drought situation. Ms. Whitaker responded that the engineering staff has indicated that some volume in Ragged Mountain could be preserved during the work. It is uncertain as to how much and to what extent this could be accomplished. In the planning phases for the design and construction of Ragged Mountain Dam, this issue would play a critical role in the timing of the project and how drought conditions are addressed during the construction period. Ms. Whitaker commented that if the volume did need to be reduced at Ragged Mountain, she felt that the Beaver Creek Reservoir could be used to augment the Urban system.

Mr. Franklin added that the volume available at Beaver Creek could certainly be an added enhancement for any contingencies or uncertainties that might arise in the next few years. He felt that careful attention to the design of the Ragged Mountain Dam project was needed in order to preserve the flow necessary to reach the Observatory Water Treatment Plant. Without the Mechums Pump Station, water from Beaver Creek can not reach the Observatory plant. A cautious approach on the Beaver Creek Reservoir's use should be taken so that the SFRR plant's capacity is not overtaxed.

Mr. O'Connell inquired as to the status of the Ragged Mountain Dam Rehabilitation project. Ms. Whitaker stated that upgrades would depend on the ultimate capacity of the dams. RWSA has received Gannett Fleming's recommendations which involved removing the soil abutment completely away from the facility and replacing with a compacted concrete buttress on the entire dam face. Mr. O'Connell inquired as to the time frame for project completion and permitting issues related to the Community Water Supply Plan. Mr. Frederick stated that the Department of Conservation and Recreation has requested minor clarification of language contained in the permit. It is his understanding that a decision on the size and scope of the rehabilitated Ragged Mountain Dam is required by June 2005, which is a key reason for moving forward with the Community Water Supply Project as scheduled. Mr. Frederick expressed his appreciation for the Board's support during this process.

As there were no further questions or discussion, the motion was approved by a 4 – 0 vote.

In regards to **Item 6b), Budget Amendment – Crozet System** Mr. Frederick asked Mr. Wood to present this report.

Mr. Wood noted that attached to the Board report was a Memorandum from Dr. Robert Wichser, which addressed budgetary issues at the Crozet and Scottsville water rate centers. The correspondence identified several unbudgeted items that would adversely impact the Crozet system. The Scottsville budget included \$90,000 for a generator project, which will not be utilized at this time. As a result, the Scottsville water rate center will experience a year-end budget surplus.

Mr. Wood stated that in the Board report two options were presented for consideration in funding the estimated \$40,200 budget increase for the Crozet system. The first option proposes the use of Scottsville's budget surplus to offset Crozet's budget deficit. The second option would require that the Board authorize a mid-year rate increase for the Crozet water rate center totaling \$5,026 per month.

Mr. Brent stated that with RWSA approval he would suggest reducing Scottsville's rate by \$8,900 per month and increasing Crozet's rate by \$5,026 per month to balance both budgets.

Mr. Brent moved, which was seconded by Mr. Tucker, that a Resolution by the Board of Directors be approved to increase the Crozet water rate by \$5,026 per month for the remainder of the fiscal year and to reduce the Scottsville water rate by \$8,900 per month for the remainder of the fiscal year.

There being no further discussion, Mr. Gaffney, called for a roll call vote:
Mr. Brent – Aye, Mr. O'Connell – Aye, Mr. Tucker - Aye and Mr. Gaffney – Aye.
Mrs. Mueller was absent from the vote.

In regards to **Item 6c), Rivanna Trails Foundation – Grant of Permission,**

Mr. Frederick reported that this item came to the Board's attention several years ago when the Rivanna Trails Foundation (RTF) began working within the community to establish a walking trail around the Charlottesville area. Part of the trail is located on the eastern edge of the Moores Creek property and is outside of the security area of this facility. The trail is completed except for one section that crosses Moores Creek. In 1999, RTF proposed to install boulders across Moores Creek to form stepping stones for pedestrian access during times when the creek flows were down. RTF now seeks to amend the 1999 agreement by substituting "formed stepping stones" made of cement in place of boulders.

Mr. Frederick stated that he and Mr. Kurt Krueger have carefully reviewed the documentation provided by RTF and recommend that the request be approved with the four conditions set out in the last paragraph on page 1 of the Board report.

Upon a motion by Mr. Tucker, and seconded by Mr. O'Connell, the Board of

Directors voted to authorize the Executive Director to execute an agreement with the Rivanna Trails Foundation to amend the 1999 agreement, subject to the four conditions outlined in the Board report, and of a form approved by the Authority's attorney.

Mr. Gaffney inquired if the four conditions were new or had they been included in the 1999 agreement. Mr. Krueger replied in the affirmative and added that the items were included again to ensure their renewal in the amended agreement. Mr. Frederick added that the item concerning permits was not clearly defined in the previous agreement. There was also a modification to the insurance element with the requirement that certificates of insurance would be updated annually and confirmed notice of cancellation from the insurance carrier.

There being no further questions or discussion, the motion was approved by a 4 – 0 vote.

7.0 Other Items From Board/ Staff Not On Agenda

Mr. Frederick stated that as mentioned during his Executive Director's Report, he would like to discuss a proposed Public Participation Plan for the Community Water Supply Plan Update. Copies of the plan were distributed to the Board and the members of the public in attendance. Additional copies would be made available to the public upon request. The plan will also be placed on the RWSA website.

Mr. Frederick commented that the Board made an early commitment to have significant public participation during the Community Water Supply Plan process. During initial discussions, regulatory agencies have concurred with the statement that there should be a very strong public participation plan. For this reason, RWSA hired Ms. Becky Clay Christensen, who is a highly skilled facilitator, to assist RWSA in developing a plan that elicits the greatest amount of public participation and community involvement as possible.

Mr. Frederick stated that a public meeting was held last month at Monticello High School where a number of ideas were captured concerning the "short list" alternatives during the breakout group sessions. One common theme that emerged from all the public comments was the request for additional information on the "short list" alternatives. The Public Participation Plan is in response the public's request for additional information and opportunities to provide input in the process. The Plan is divided into five categories and is broken down as follows:

- Education Activity: Fact Sheet Program - As new information becomes available on selected topics, briefings will be posted to our website. Public will be notified of new updates through the e-mail address list. Initial comments from regulatory agencies are currently being condensed into a format for public access.
- Public Outreach Meetings – A meeting will be held for each of the four

“short list” alternatives in order to provide more detailed information to the public. At this time, the meetings will likely be held in this order: (1) dredging; (2) James River; (3) SFRR 4-foot Crest Controls; and (4) Expansion of Ragged Mountain. The last two meeting will probably be held after the holidays. Dates in mid-November and the first of December have been proposed for the first two meetings. Meeting location has not yet been determined. The Chairman has authority to call a special Board meeting once details have been confirmed.

- Speakers Bureau - A mailing was sent out last week to offer civic and community groups in the region the opportunity to have RWSA staff conduct focus discussions at their meetings on topics of interest. This activity has already been initiated and requests are being received.
- Community Meeting on Recommended Plan – Continued updates with local government partners, including the Albemarle County Board of Supervisors, the Albemarle County Service Authority Board of Directors, and the Charlottesville City Council. A presentation to City Council is scheduled for next Monday night.
- Community Meeting on Recommended Plan – Presentation on final recommendation before permit application is submitted to refine the plan. The Public Outreach Meetings and the Community Meeting we anticipate will be facilitated events.

Mr. Gaffney stated that since the Public Outreach Meetings and the Community Meeting would focus on one topic, he asked if the process would include “breakout” groups. Mr. Frederick stated that this process was discussed for the Public Outreach Meetings, and there does not appear to be a need for “breakout” sessions at this time. A decision on the process for the Community Meeting will be made at a later date.

Upon a motion by Mr. Tucker, and seconded by Mr. O’Connell, the Board of Directors voted to authorize the Executive Director to proceed with the Public Participation Plan as presented today. The motion was approved by a 4 – 0 vote. Mr. O’Connell asked Mr. Frederick if he could share some of the comments received from the regulatory agencies on the Community Water Supply Plan. Mr. Frederick stated there tends to be general agreement among all the agencies on some of the issues and differing opinions on some of the other issues. One theme that has emerged during regulatory meetings, which also coincides with community discussions, is the issue of in-stream flows. He felt the discussions with The Nature Conservancy are very timely and that options could be explored to address this issue. Details on environmental impacts concerning the wetlands, streams, and threatened and endangered species are still being worked out. Mr. Frederick also felt that the regulatory agencies had given clear direction on what further studies were needed.

Mr. Frederick also reported that there has been some discussion on the need for water conservation. He was pleased to state that RWSA has been able to carry the banner of its two customers, as the City of Charlottesville and the Albemarle County Service Authority have strong water conservation programs. Regulators have requested more information on community programs. Contacts will be made among community agencies in order to document water conservation efforts. RWSA will also be open to any suggestions that the regulators have on this topic.

8.0 Closed Meeting

Upon a motion by Mr. Tucker, and seconded by Mr. Brent, the Rivanna Water & Sewer Authority Board of Directors voted to enter into a closed meeting for consultation with legal counsel regarding specific legal matters requiring the provision of legal advice by counsel involving an insurance matter and renewal of the Authorities Virginia Pollutant Discharge Elimination System Permit as permitted by Section 2.2-3711.A.7 of the Code of Virginia. The motion was approved by a 4 – 0 vote, and the Board went into a closed session at 2:45 p.m.

ATTENDEES: Mr. Brent, Mr. Gaffney, Mr. O’Connell, Mr. Tucker, Mr. Krueger, Mr. Frederick, and Mr. Wood.

9.0 Resumption of Open Meeting

The Rivanna Water & Sewer Authority Board of Directors meeting reconvened at 3:35 p.m.

Mr. Tucker made the following motion, which was seconded by Mr. Brent

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

~~WEREAS~~, Section 2.2-3711.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.”

There being no further discussion, Mr. Gaffney called for a roll call vote:
Mr. Brent – Aye, Mr. Tucker – Aye, Mr. O’Connell – Aye, and Mr. Gaffney - Aye.
Mrs. Mueller – Absent.

10.0 Adjournment

There being no further business, Mr. Brent move that the meeting be adjourned, seconded by Mr. Tucker. All members voted aye, and the meeting was adjourned at 3:37 p.m.

Respectfully submitted,

Mr. Robert Tucker
Secretary - Treasurer