



RIVANNA WATER & SEWER AUTHORITY

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RWSA BOARD OF DIRECTORS Minutes of Regular Meeting April 28, 2008

A regular meeting of the Rivanna Water & Sewer Authority (RWSA) Board of Directors was held on Monday, April 28, 2008 at 2:00 p.m., in the Conference Room, Administration Building, 695 Moores Creek Lane, Charlottesville, Virginia.

Board Members Present: Mr. Gary Fern, Mr. Michael Gaffney – Presiding, Ms. Judith Mueller, Mr. Gary O’Connell, and Mr. Robert Tucker.

Authority Staff Present: Mr. David Atkins, Mr. Bruce Edmonds, Mr. Tom Frederick, Mr. Chuck Kent, Ms. Mary Knowles, Mr. Cary Lang, Ms. Andrea Terry, Mr. Justin Weiler, Dr. Robert Wichser, and Mr. Lonnie Wood.

Also Present: 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. Gaffney on Monday, April 28, 2008 at 2:00 p.m., and he noted that a quorum was present.

2.0 Minutes of Previous Board Meeting

Mr. O’Connell moved that the Board of Directors vote to approve the minutes of the regular meeting of the Board held on March 24, 2008, seconded by Mr. Tucker. The motion was approved by a 5 – 0 vote.

3.0 Executive Director’s Report

There was no Executive Director’s Report this month.

4.0 Items from the Public

Ms. Lois Rochester, Albemarle County resident, stated that based on the assumption that the Community Water Supply Plan goes forward – and she expressed her hope that it would – inquired about the status of the decision on which scenario would be followed. She specifically wanted to know what the decision-making process “has been or will be” as she was not certain where it stood at this time.

Ms. Rochester next commented on the citizen input aspect of this decision-making process. She noted that in the “On-going Projects” Board report there was reference to the September public meeting, which she attended. She remembered many of the comments made at that meeting, and there were a few people in attendance that supported Option 3. After the meeting, she and others submitted e-mails voicing their option preferences. Ms. Rochester personally supported



Option 1. There was no reference to those e-mails, and she did not know how many other citizens sent in comments after that time. She hoped that those e-mails would be taken into consideration, as well as the few comments made at the public meeting. She also hoped that the Community Water Supply Project would be discussed during today's meeting so that everyone could be brought up to date as to the status of that decision.

Mr. Hawes Spencer, Editor of *The Hook* newspaper, commented that he had two questions that he would address to the Chairman as follows:

1. "In late March your Director, Tom Frederick, signed an amendment with Gannett Fleming ...despite Gannett already receiving at least \$123,000 for public involvement ... despite receiving at least \$46,000 for dredging studies. Gannett Fleming now stands to gain \$12,000 as of late March for a 15-minute PowerPoint presentation that even Gary O'Connell – no fan of dredging – says, 'It doesn't appear as though the writer intended dredging ever to be an option, so that could work against you depending on the audience.' Given all the spending that has occurred thus far, how in the world can you justify giving Gannett Fleming an additional \$12,000 to make a PowerPoint and an additional \$5,000 to rush the Army Corps of Engineers to hurry up on approving the permit?"

Mr. Gaffney replied that the Board was here to listen to Mr. Spencer's comments and not to answer questions. Mr. Gaffney then asked Mr. Spencer if he had another comment for the Board. Mr. Spencer stated that his first remarks were intended as a question about whether "you endorsed that spending or repudiated it," and he further inquired about whether or not Mr. Gaffney answered questions. Mr. Gaffney responded that he did not have an answer for Mr. Spencer. Mr. Spencer then proceeded to his second question.

2. "When you had competitive bids on your water supply plan, including at least a couple of firms that offered to do it for \$800,000, how did this Board through a series of amendments wind up paying well over \$2.5 million for a firm that threw out many of the contentions from the earlier consultants, including O'Brien & Gere? How could one firm so take over water policy in this region that it could get that much money and really destroy the old water plan? I don't know if the public was aware of this. I certainly wasn't until I began researching it."

Mr. Gaffney thanked Ms. Rochester and Mr. Spencer for their comments.

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) Procurement – 2008 Steel Tank Painting and Improvements
- 5e) Election of Vice-President and Secretary-Treasurer

Mr. Tucker moved that the Board of Directors vote to approve Items 5a), b), c), d), and e) of the Consent Agenda, seconded by Mr. O'Connell.

Prior to the vote, Mr. O'Connell asked that **Agenda Item 5c), Staff Report on On-going Projects**, be pulled in order to discuss the current status of the Community Water Supply Plan. Given the questions asked today, he felt it was important to provide an update on the project. Mr. Gaffney then asked Mr. Frederick to address the questions raised concerning the Community Water Supply Plan portion of the On-going Projects report.

Mr. Frederick noted that the bold text in the On-going Projects report indicates the most recent information regarding the status of the project. For the Community Water Supply Plan, staff referred to DEQ's issuance of a Water Protection Permit on February 11, 2008 and the City Council work session scheduled for May 6, 2008 on this topic. Staff also mentioned that RWSA is anticipating receipt of the required Army Corps federal permit sometime this spring.

Mr. Frederick further reported that a separate status report on the Ragged Mountain Dams is provided on page 1 that discusses updating the current design project. During the preliminary design work geo-technical analysis was conducted on-site, which included borings to confirm the location for the new dam. Additional borings have recently been undertaken to determine depth to solid rock at the abutment areas beyond the extent of the initial borings. The dams are currently operating under a "conditional" operating certificate from the Dam Safety Division of the Virginia Department of Conservation and Recreation (DCR). DCR has identified safety issues with the existing structures, and the operational permits are conditional upon submitting study and design documents for the new dam facility no later than November 2008. Given the approach being taken and the current design effort, RWSA was on schedule to meet that deadline as long as the project continues to move forward.

Mr. O'Connell then inquired if construction design documents would be included in the material submitted in November 2008, and contingent upon DCR approval, if the project would then be ready to go to bid at that point. Mr. Frederick stated that the November deadline was for submission of the preliminary design work that would become part of the final design documents. DCR approval is needed before RWSA could move forward on the construction work.

At Mr. Tucker's suggestion, Mr. Frederick took the opportunity at this point to address the questions raised by Ms. Rochester during the Public Comment segment of the meeting. Mr. Frederick stated that last September three options were presented through a PowerPoint® presentation during a public meeting. Option 1 called for building a full-height dam and constructing the pipeline in one project over the next five years. Option 3 entailed building a full-height dam now, but constructing the pipeline toward the end of DEQ's 15-year permitting period, which would be around 2020 or 2021. He did recall as Ms. Rochester suggested that there were citizens who spoke in favor of each of those options. Staff mentioned at that time that the Authority would welcome a public discussion that involves either this Board or a combination of boards. In subsequent conversations with the public, RWSA has communicated that its current CIP and financial planning assume the implementation of Option 3, but that could be changed if there is a future directive to proceed with a different scenario. The CIP adopted

last month does include the final corridor selection and right-of-way acquisitions for the pipeline during the current five-year plan in preparation for when the pipeline is actually constructed.

Mr. Frederick next addressed Ms. Rochester's comments concerning what specific procedures would be used during the scenario selection process. Mr. Frederick stated that he was also looking for direction on this issue, and he did not have a particular plan at this time. He felt there would be some public involvement, but the specific process and the extent of public input has yet to be determined.

In regards to **Item 5d), Procurement – 2008 Steel Tank Painting and Improvements**, Mr. Fern inquired why the total base price for the steel tank painting projects in the second paragraph on page 1 is listed as \$712,500, but the figure requested in the "Board Action Needed" section of the report is \$719,000. Mr. Frederick asked Ms. Jennifer Whitaker to respond to Mr. Fern's question.

Ms. Whitaker stated that the base bids for each of the projects were used to compare the bid prices. Based on the pricing, add-ons for several of the projects were included, which increased the amount requested to \$719,000.

As there were no further questions or discussion, the Board of Directors approved the motion to approve the Consent agenda by a 5 – 0 vote.

6.0 Other Business

There were no Other Business items this month.

7.0 Other Items from Board/Staff not on the Agenda

Related to the previous discussion, Mr. Frederick stated that RWSA has completed its negotiations with Tank Industry Consultants, Inc. to provide detailed inspections during the steel tank painting projects. Copies of this report were then distributed to the members of the Board and the members of the public in attendance at the meeting. Mr. Frederick next recognized Ms. Whitaker who would present this report.

Ms. Whitaker stated that this report "dovetails" into the recently discussed **Item 5d), Procurement – 2008 Steel Tank Painting and Improvements**. Associated with the construction phase of the steel tank repair work is the need for third-party inspection services. A Request for Proposals (RFP) was previously issued for design and inspection services. In August 2007, the Board approved a design services contract with Tank Industry Consultants, Inc. for the three steel storage facilities. RWSA was requesting today that the Board authorize an amendment to that Engineering Services Agreement for third-party inspection services related to the 2008 Steel Storage Tank Painting and Improvements Project in an amount not to exceed \$99,000.

Ms. Whitaker further reported that although the net project cost was well under budget, the three tanks are funded out of three different rate centers. Total design and construction expenses for the Bucks Elbow Mixing System in Crozet, Virginia, is slightly over budget. Staff recommends

that the Board authorize the addition of \$19,500 to the CIP budget to cover the additional anticipated costs for this project.

Mr. Gaffney inquired about the funding source in the CIP to cover the additional \$19,500. Mr. Frederick stated that the monies for the Bucks Elbow Tank project come out the Crozet account, which affects the Crozet rate that is charged to the Albemarle County Service Authority. The South Rivanna tank project is funded through the Urban fund, to which both the City and the Albemarle County Services Authority make contributions. Since the total cost of this project was considerably less than what was budgeted in the CIP, there will be a considerable savings realized for the Urban rate center. Although there was an overall savings, RWSA is required to keep the monies separate due to the different funding streams from RWSA's two customers.

Mr. Tucker moved that the Board of Directors authorize the Executive Director to execute an amendment to the December 7, 2007 Engineering Services Agreement with Tank Industry Consultants, Inc. for services related to the 2008 Steel Storage Tank Painting and Improvements Project, which includes Work Authorization No. 2 on a cost plus basis not to exceed \$99,000, with the discretion to execute amendments in an amount up to 10% of the contract amount. Mr. Tucker further moved that the Board of Directors authorize the addition of \$19,500 to the Capital Improvements Project Budget for the Bucks Elbow Tank to cover the additional anticipated construction and inspection cost, seconded by Mr. Fern. The motions were approved by a 5 – 0 vote.

8.0 Closed Meeting

There was no need for a closed meeting.

9.0 Adjournment

There being no further business, Mr. Fern moved that the meeting be adjourned, seconded by Mr. O'Connell. All members voted aye, and the meeting was adjourned at 2:21 p.m.

Respectfully submitted,

Mr. Robert W. Tucker, Jr.
Secretary-Treasurer