



# RIVANNA WATER & SEWER AUTHORITY

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## RWSA BOARD OF DIRECTORS

### Minutes of Regular Meeting

May 19, 2008

A regular meeting of the Rivanna Water & Sewer Authority (RWSA) Board of Directors was held on Monday, May 19, 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, Ms. Mary Knowles, Mr. Cary Lang, Ms. Michelle Simpson, Ms. Andrea Terry, Mr. Justin Weiler, Ms. Jennifer Whitaker, Dr. Robert Wichser, and Mr. Lonnie Wood.

**Also Present:** Mr. Kurt Krueger – RWSA Attorney, Mr. John Murphy – Director of StreamWatch, 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, May 19, 2008 at 2:00 p.m., and he noted that a quorum was present.

#### 2.0 Minutes of Previous Board Meeting

**Mr. Tucker moved that the Board of Directors vote to approve the minutes of the regular meeting of the Board held on April 28, 2008, seconded by Mr. O’Connell. 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

Mr. Hawes Spencer, Editor of *The Hook* newspaper, first clarified that he recited the wrong name while reading from an e-mail at last month’s Board meeting. The e-mail was not from Mr. Gary O’Connell, but was an e-mail to Mr. O’Connell from Mr. Ric Barrick. He expressed his regret for misspeaking the name.

Mr. Spencer next commented on his article that appeared in *The Hook* last week concerning a local firm called DDR that “despite the absence of an RFP on dredging ... is offering to do a complete dredging of the Rivanna Reservoir for \$23.8 million ... a little bit more if you go for a longer period of time.” Over the weekend he read the Department of Environmental Quality (DEQ) permit for the official water plan, and near the end it states that “if new information or corrected information is discovered, the permit holder has an obligation to bring it to the attention of DEQ.” Last week he also spoke to Mr. Steve Murray, who heads the family group

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that operates Panorama Farms. Mr. Murray pointed out that he has never received any proposal for “handling the spoils from the Rivanna Reservoir.” Mr. Spencer then addressed the following two questions to the Board:

1. “Do you intend to issue an RFP to dredge the Rivanna Reservoir?”
2. “Given that you had an official consultant tell you that dredging the Rivanna Reservoir might cost almost as much as \$225 million and now you have various groups kind of coming out of the woodwork on their own – including this latest one from DDR, which has a disposal site – do you intend to notify DEQ that your consultant might have been wrong or that you have new information that might impact what you thought was the set of facts that you were basing the permit on?”

Mr. Gaffney thanked Mr. Spencer for his comments and stated that the Board would take his questions under advisement.

### **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 – Camelot WWTP Flow Equalization Tank
- 5e) Personnel Actions
  - Merit Factor Increase
  - New Positions – Job Descriptions
  - Adjustment to Pay Grade scale
- 5f) Award of Moores Creek Septage Receiving Station Design

**Mr. Tucker moved that the Board of Directors vote to approve Items 5a), b), c), d), e) and f) of the Consent Agenda, seconded by Mr. O’Connell. The motion was approved by a 5 – 0 vote.**

### **6.0 Other Business**

In regard to **Item 6a), Public Hearing for FY 2009 Operating Budget**, Mr. Frederick provided a brief overview of the proposed budget prior to holding the public hearing. He stated that the proposed operating budget and recommended rate schedule were presented at the February 25, 2008 meeting. On that same date the Board adopted a resolution to advertise the wholesale water and wastewater rates for FY 2009 as preliminary rates for the required 60 days for the purpose of notification of a public hearing to be held during today’s meeting. The advertisement and notification process has been conducted by RWSA staff in accordance with state regulations.

Mr. Frederick next reported that the budget process continues to incorporate the Authority’s philosophy of encouraging efficiency in operating decisions, looking long-term, promoting environmental protection, and promoting the growth and training of its employees while limiting

the number of employees to what is necessary in order to meet the water and wastewaters needs of this community. Additionally, this budget supports a challenging capital improvement program that addresses aging infrastructure, the need for improvements in wastewater treatment, and the community's water supply plan. The document also includes a merit pool of 4.0%, based on numbers being proposed by other agencies in this community, a new Vehicle Replacement Fund, and the consolidation of the current level maintenance expenses within a Maintenance Department.

Mr. Frederick then stated that the proposed rate schedule calls for an increase in the Urban Water wholesale rate of 2.65% for the City and 2.44% for the ACSA and an increase in the Urban Wastewater wholesale rate of 10.43% for the City and \$10.54% for ACSA. The biggest item influencing the increased emphasis on wastewater funding is associated with the renewal of the Urban Wastewater Interceptor infrastructure.

Mr. Gaffney next opened up the Public Hearing on the proposed FY 2009 budget at 2:06 p.m. As there were no members of the public in attendance at the meeting who wanted to speak on the proposed RWSA FY 2009 budget, Mr. Gaffney closed the Public Hearing at 2:07 p.m.

Mr. Gaffney then inquired about the amount of grant funding that RWSA anticipated receiving from the Commonwealth and if the Commonwealth still planned to fund the wastewater treatment plant upgrades. Mr. Frederick stated that \$15 million in grant funds from DEQ have been identified for the Moores Creek WWTP Enhanced Nutrient Removal (ENR) project, based on an executed grant agreement. Those grant monies were taken into consideration when developing the rate schedules, and RWSA was hopeful that the Commonwealth will maintain that amount of funding in the future. He added that applications for grant funding are continuing to be submitted and the Commonwealth has over-allocated based upon the grant agreements now being processed as compared to the amount of appropriated funds. The legislature will need to appropriate more money to the fund in future years in order for the Commonwealth to meet its obligations under approved grants.

Mr. Tucker next stated that he was aware that ACSA has incorporated the proposed wholesale rate schedule into their retail rates and assumed that the City is proposing the same action. Mr. O'Connell responded that City Council will consider utility rates at their June 2, 2008 meeting.

Mr. Gaffney then asked about the status of the proposed 4% merit pool figure for RWSA. Mr. Tucker stated that after discussing this matter further with Mr. Lonnie Wood, he is satisfied with the 4% merit pool figure as proposed by RWSA staff.

**As there were no further questions or discussion, Mr. Tucker moved that the Board of Directors vote to approve the following resolution regarding the adoption of the Rivanna Water & Sewer Authority operating budget and related wholesale water and wastewater rates for FY 2009 to be effective July 1, 2008, seconded by Mr. Gaffney:**

**RESOLUTION**

**ADOPTION OF THE RIVANNA WATER AND SEWER AUTHORITY  
BUDGET AND RELATED WATER AND WASTEWATER  
RATES FOR FISCAL YEAR 2009**

**WHEREAS**, the Authority has advertised and held a public hearing on May 19, 2008, on the proposed Fiscal Year 2009 budget and related rates in accordance with Section 15.2-5136(G) of the Code of Virginia, as amended;

**THEREFORE, BE IT RESOLVED** that the Rivanna Water and Sewer Authority Board of Directors hereby adopt the accompanying rates schedule effective July 1, 2008, and the Fiscal Year 2009 budget as summarized in the attached table.

**WATER RATES**

Urban Area

City - \$2.285/1000 gal.

ACSA - \$2.983/1000 gal.

Crozet - \$50,226/monthly

Scottsville Water - \$31,421/monthly

**WASTEWATER RATES**

Urban Area

City - \$2.466/1000 gal.

ACSA - \$2.722/1000 gal.

Glenmore - \$24,606/monthly

Scottsville Wastewater - \$25,968/monthly

Prior to the vote, Ms. Mueller made the following statement for the public records: "I am employed as the Director of Public Works of the City of Charlottesville with a salary over \$10,000 annually and the City of Charlottesville may realize a reasonably foreseeable direct or indirect benefit or detriment as a result of the adoption of water and wastewater rates being adopted by the Rivanna Water & Sewer Authority, but only with respect to such rates to be charged to the City of Charlottesville. Therefore, I am disqualifying myself from participating in the vote to adopt these rates but only as they apply to the City of Charlottesville, and I request that this fact be recorded in the appropriate public records for a period of five years."

Mr. O'Connell next stated for clarification purposes that there is a recent state law as part of the Conflict of Interest Act that requires members of the Board that work for local government agencies to disclose that fact and also disqualify themselves from voting on that matter. He then made the following statement: "I am employed as the City Manager of the City of Charlottesville with a salary over \$10,000 annually and the City of Charlottesville may realize a reasonably foreseeable direct or indirect benefit or detriment as a result of the adoption of water and wastewater rates being adopted by the Rivanna Water & Sewer Authority, but only with respect to such rates to be charged to the City of Charlottesville. Therefore, I am disqualifying myself from participating in the vote to adopt these rates but only as they apply to the City of Charlottesville, and I request that this fact be recorded in the appropriate public records for a period of five years."

Mr. Fern next made the following statement: I am employed as the Executive Director of the Albemarle County Service Authority with a salary over \$10,000 annually and the Albemarle County Service Authority may realize a reasonably foreseeable direct or indirect benefit or

detriment as a result of the adoption of water and wastewater rates being adopted by the Rivanna Water & Sewer Authority, but only with respect to such rates to be charged to the Albemarle County Service Authority. Therefore, I am disqualifying myself from participating in the vote to adopt these rates but only as they apply to the Albemarle County Service Authority, and I request that this fact be recorded in the appropriate public records for a period of five years.”

**VOTE**

**AYES:** Ms. Mueller – who abstained with respect to the City water and wastewater rate

Mr. O’Connell – who abstained with respect to the City water and wastewater rate

Mr. Gaffney

Mr. Tucker

Mr. Fern – who abstained with respect to the Albemarle County Service Authority water and wastewater rate

**NAYS:** 0

**ABSENT DURING VOTE:** 0

**ABSENT DURING MEETING:** 0

Copies of the Transactional Disclosure Statements required by Section 2.2-3115(E) of the Act signed by Ms. Mueller and Messrs. O’Connell and Fern are attached to these minutes.

In regards to **Item 6b, Drought Response and Contingency Plan Update**, Mr. Frederick recognized Ms. Andrea Terry, RWSA Watershed Manager, who would present this report.

Ms. Terry stated that the Drought Response and Contingency Plan for the RWSA service area was adopted at the September 25, 2006 meeting. Based on actual drought experiences, the Plan has been revised and is being presented today for the Board’s approval.

Ms. Terry further commented that the Rivanna Regional Drought Committee has confirmed that the modeling and triggers used to identify when to begin implementation of drought stages has been very effective in reducing demand and therefore have not been changed in the Plan. The conditions for stepping out of drought stages have been refined to reflect recent experience and public comment. New information regarding drought management has also been added to the Plan, including the use of Chris Green Lake as a source of emergency supply, issuance of the DEQ permit for the Ragged Mountain Expansion, and further clarification as it related to the coordination between RWSA and its customers regarding drought stage declarations. Changes to the Plan are highlighted in red for the convenience of review.

Ms. Terry next stated that staff recommends that the Board of Directors approve the revised Drought Response and Contingency Plan.

Mr. Gaffney then inquired if the way the recent drought stages were lifted has been adjusted in the Plan by a review of the streamflow data. Mr. Frederick stated that the way this area stepped out of the last drought stages are consistent with the proposed changes in the Plan. The development of this Plan has been a learning effort to find the right way to analyze data to meet local objectives not to step out of a drought too early. The OASIS® Hydrologic Computer Modeling used by RWSA to forecast potential drought conditions and the lifting of those conditions is “state-of-the-art” and is felt to be the best technology available at this time.

Ms. Andrea next commented that the refinement of this Plan will continue to be an ongoing process based on future drought experiences and public input.

**Mr. O’Connell moved that the Board of Directors vote to approve the revised Drought Response and Contingency Plan as presented by staff, seconded by Mr. Tucker. The motion was approved by a 5 – 0 vote.**

In regards to **Item 6d), StreamWatch Funding**, Mr. Frederick stated that RWSA has been providing funding for StreamWatch for several years and has been a leader in its support of that organization since 2003. The benefits from the data distributed by StreamWatch includes sampling and analysis of local streams, which is a good indicator of stream health and helps provide a benchmark from which public policy decisions are made on stream protection and restoration efforts. Last year, StreamWatch increased its budget to reflect the level of services that they felt the community desired from them. He understood that StreamWatch’s budget for FY 2009 is being held at last year’s level. In June 2007, the Board approved a one-time increase in RWSA’s annual allocation to StreamWatch from \$7,500 to \$10,000. This matter is being brought back to the Board for direction and guidance as to how to proceed with this year’s StreamWatch funding request. There are sufficient available surplus funds from the FY 2008 budget to increase RWSA’s commitment an additional \$2,500, as was done last year.

Mr. Gaffney next recognized Mr. John Murphy, President of StreamWatch, who was in attendance at the meeting concerning this matter. Mr. Murphy commented that StreamWatch’s budget did not significantly increase last year but had incrementally increased each year over the 5 ½ year life of the program from \$30,000 to \$50,000. Last year through a steering committee, StreamWatch established a budget at a level that could sustain the program in the future, which was at the \$50,000 figure.

Mr. Gaffney then commented that there appeared to be a second request related to increasing RWSA’s annual commitment to StreamWatch from \$7,500 to \$10,000 beginning with FY 2009 and inquired if he was correct. Mr. Frederick stated that if the Board was inclined to set next year’s allocation as well, then Board action on the second item would also being required.

Mr. Fern next commented that in light of the rate increases being proposed by ACSA as well as the City and his understanding that last year’s request was to increase the contribution to StreamWatch by an additional \$2,500 on a one-time basis, he would prefer to make a motion that the funding level remain at \$7,500 this year and request that staff continually bring this matter

back each year for the Board's consideration. Mr. Gaffney then asked Mr. Fern if he was in favor of the additional \$2,500 this fiscal year. Mr. Fern replied that he would approve the \$7,500 allocation to StreamWatch but not the additional \$2,500.

Mr. O'Connell then questioned how StreamWatch's work would be impacted if the additional \$2,500 was not approved by the Board. Mr. Murphy stated that StreamWatch would probably not eliminate sampling sites or change its sampling regimen. He felt that parity among the key partners who had the ability to fund at this level was important in order to achieve the kind of stability that he had envisioned at the program onset.

Mr. Tucker next commented that the funding allocation to StreamWatch has remained at \$7,500 since 2003 and no cost-of-living increases have been provided during that time frame. He would suggest as an alternative motion that a 4% increase in the StreamWatch contribution be approved this year and that subsequent cost-of-living increases be considered on a yearly basis.

Mr. Gaffney then asked Mr. Frederick to briefly describe how RWSA benefits from StreamWatch's work. Mr. Frederick stated that the Authority has benefited directly in the past with technical assistance from StreamWatch related to an internal procedural decision as to when the hydroplant at the South Fork facility should be shutdown based on impact to the stream during drought phases. StreamWatch also offers the additional data and sampling that cannot be provided at the state level due to lack of state funding and facilitates wise decision making by local officials on land use issues and impacts to the environment. A paper prepared by Mr. Murphy and his staff last year was helpful to many public officials by showing a direct correlation between population density and health of the streams, which he felt provides a "benchmark" for future decisions on how development in densely populated areas can better benefit the environment with less adverse effects.

Mr. Gaffney next inquired if the price for the data would be equivalent to what StreamWatch charged if it were obtained from another source. Mr. Frederick stated that he felt StreamWatch provided the information in a very efficient and cost effective manner for the price that they charge.

Mr. O'Connell then commented that he felt StreamWatch was a valuable resource, particularly with the issues that have recently surfaced in the community. He suggested an alternative motion that RWSA's annual contribution match those of Albemarle County, the City of Charlottesville, and The Nature Conservancy at \$10,000, which Mr. Gaffney stated he could support.

Ms. Terry next clarified that last year the Board approved releasing \$2,500 of unspent funds from that fiscal year's budget to increase the StreamWatch contribution to \$10,000. RWSA was requesting that this action be taken again this fiscal year. The second issue relates to including the \$10,000 allocation for StreamWatch in the budget beginning with FY 2009.

**Mr. O'Connell then amended his previous motion and moved that the Board of Directors approve an additional allocation of \$2,500 of unspent funds from the FY 2008 budget to StreamWatch and also increase RWSA's annual commitment to StreamWatch from \$7,500**

to \$10,000 beginning with FY 2009, seconded by Mr. Gaffney. By a 3 – 1 vote, with Mr. Fern voting against, the motion was approved. Ms. Mueller abstained from the vote.

#### **7.0 Other Items from Board/Staff not on the Agenda**

Mr. Frederick commented that this would be an opportunity for the Board to recognize Ms. Andrea Terry for the service she has given to RWSA over the past 3 ½ years. He had to accept with great regret her decision to leave the Authority as of Friday, May, 23, 2008 to pursue an opportunity in the consulting industry. She did an excellent job of bringing this organization into the community, particularly on watershed issues, and he felt it was worthy of being recognized.

The Board members echoed Mr. Frederick's comments, and Mr. Tucker added his appreciation for the great job Ms. Terry did with the mitigation plan for Buck Mountain.

Ms. Terry thanked the Board and expressed her appreciation for the opportunity to work for RWSA.

#### **8.0 Closed Meeting**

There was no need for a closed meeting.

#### **9.0 Adjournment**

There being no further business, Ms. Mueller moved that the meeting be adjourned, seconded by Mr. O'Connell. All members voted aye, and the meeting was adjourned at 2:30 p.m.

Respectfully submitted,

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