



RIVANNA WATER & SEWER AUTHORITY

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RWSA BOARD OF DIRECTORS

Minutes of Regular Meeting

August 27, 2007

A regular meeting of the Rivanna Water & Sewer Authority (RWSA) Board of Directors was held on Monday, August 27, 2007 at 2:00 p.m., in the Conference Room, Administration Building, 695 Moores Creek Lane, Charlottesville, Virginia.

Board Members Present: Mr. Gary Fern, Ms. Judith Mueller, and Mr. Robert Tucker – Presiding,

Board Members Absent: Mr. Michael Gaffney and Mr. Gary O’Connell.

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

Also Present: Ms. Tamara Ambler – Albemarle County Natural Resources Manager, Mr. Aaron Keno – Gannett Fleming Vice President, 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. Robert Tucker in the Chairman’s absence on Monday, August 27, 2007 at 2:00 p.m., and he noted that a quorum was present.

2.0 Minutes of Previous Board Meeting

Mr. Fern moved that the Board of Directors vote to approve the minutes of the regular Board meeting held on Monday, June 25, 2007, and the minutes of the special Board meeting held on July 23, 2007, seconded by Ms. Mueller. The motion was approved by 3 – 0 vote.

3.0 Executive Director’s Report

Mr. Frederick stated that he would be providing an update on the Drought Warning declared on August 15, 2007, which was an item of importance to the public at this time. The area received some rain since this report was written, which broke a weather pattern that had been occurring in this community for a number of weeks. Reservoir levels in the Rivanna system had reached their lowest point since 2002 on August 21, 2007. The slight improvement observed over the past six days was accelerated after the recent rainfall. The Mechums River crested yesterday at its highest point since April 17, 2007, which would be expected after receiving heavy rains during the middle of very dry weather conditions. It was anticipated that there would be some further improvement in reservoir levels over the next two to three days. Any further increases in

reservoir levels would be totally dependent upon the area receiving additional rainfall. Although September can be a very difficult month to predict weather patterns, the forecast for the next ten days calls for basically dry conditions with a 10 to 30 percent chance of scattered or isolated storms during that period. A critical issue that will be addressed by RWSA related to the ability of the reservoirs to fully recover prior to next spring in the event the area experiences dry weather conditions again next year. At this point, Rivanna's storage conditions are about the same as they were three weeks ago right before the Drought Warning was declared and stream levels are still well below where they should be this time of the year. Since it is inconclusive whether the wet weather trend will continue, RWSA will continue to closely monitor the situation.

Mr. Frederick then reported that based on current conditions RWSA did not anticipate that it would be necessary to declare a Drought Emergency during the remainder of August and through September. The probability of a worsening drought condition in October would depend upon future weather conditions. It was RWSA's recommendation that a Drought Warning condition be maintained for the present due to the uncertainty of the weather pattern.

Mr. Frederick next provided some positive comments related to the drought situation. On August 15, 2007 RWSA recommended the declaration of a Drought Warning. The Authority's partners from the City, the County, and the Albemarle County Service Authority have been extremely cooperative, and public education efforts have also been outstanding during this process. During the Drought Watch stage the demand for treated water from Rivanna's system averaged 10.78 million gallons per day (mgd). Since the Drought Warning was declared, the demand has averaged 9.97 mgd as of today, which represents an 8% reduction in demand. He felt this reflected the public's efforts to achieve an even greater reduction than the 5% target that was suggested at the time the Drought Warning was declared. Mr. Frederick expressed his thanks to everyone who has assisted during this period to preserve the community's water supply.

At the conclusion of Mr. Frederick's report, Mr. Tucker stated that he felt the appropriate action to take at this time would be to maintain the Drought Warning through at least September. Ms. Mueller next commented that with the arrival of a large population of students to this area she felt public education efforts needed to continue so that the new citizens could be informed about this issue. Historically, September can be a very high consumption month, so it was important to keep this dialogue in the forefront.

4.0 Items from the Public

Mr. Jim Colbaugh, who resided at 1240 Thistle Down in Keswick, Virginia, commented that he felt it was hard to maintain credibility with the public when you observe the "dam overflowing and the river wide open and muddy." He wondered if there could be a way to "bounce back and forth" between Watch and Warning. There were some significant implications when going from one stage to the other. He felt waiting four weeks for another Board meeting before RWSA recommends that the Drought Warning be discontinued and then going through the next steps for the City, County, and Albemarle County Service Authority to approve that action would be too long of a time period. He had a concern that "we might be crying wolf." He respected RWSA's opinion about not being too premature, but it was difficult maintaining credibility when "you look outside."

Mr. John Martin, who resided in Free Union, Virginia, commented that he understood last week the Department of Environmental Quality (DEQ) forwarded the draft Water Supply Permit to RWSA and that RWSA is currently in the process of carefully reviewing the document and possibly conducting discussions with DEQ regarding the language in the permit. Once RWSA is satisfied with the draft, the Authority will publish the notice in *The Daily Progress* that will start the public comment process. Mr. Martin received a copy of the "Special Conditions" that DEQ forwarded to him. For the past nine years he has been very concerned with minimum in-stream flow in the Moormans River, and the "Special Conditions" are not acceptable. He drafted a letter to DEQ, which he will decide on whether to mail tomorrow morning. It was premature since the public comment period is not open at this time, but he did not see any reason to delay bringing this issue to DEQ's attention. Mr. Martin would rather not send the letter if there were still a possibility that these "Special Conditions" regarding in-stream flow in the Moormans River were still subject to discussion. He would prefer that this discussion be conducted locally before going to DEQ. As of right now, he was prepared to send this letter tomorrow morning.

Mr. Martin further stated that basically the problem with the in-stream flow values is that it would continue the 0.4 mgd release until the new reservoir is one-third full, which will take an additional 5 ½ years and only if all the work is performed on schedule. "Everybody knows that everything is not going to work perfectly; it's not going to go on schedule." He felt the Moormans River would be sustained by the 0.4 mgd release for several more years. He then recalled that the 0.4 mgd release decision was made in August 2, 2000 when RWSA staff presented this matter to the Board of Directors, which was an arbitrary figure not scientifically based. He got the impression when he read the "Special Conditions" that there is some scientific basis for the 0.4 mgd release, but it was only intended to be an experimental release. He felt that the "Special Conditions" make things even worse. In 2000 when the in-stream flow was approved by the City Council and the Albemarle County Board of Supervisors, it was a constant 0.4 mgd unless the reservoir reached 80% capacity at which time the release would be discontinued. These "Special Conditions" provide "0.4 mgd or natural inflow, whichever is less." This is a new condition that would determine natural inflow by a formula based on the flow in the Mechums River and would provide theoretically less water for the Moormans River for the next 5 ½ to maybe 10 years. For all those reasons Mr. Martin was prepared to send this letter. If DEQ rejects it, he will submit it again when the public comment period opens. He hoped that serious consideration would be given to this in-stream flow issue.

Mr. Martin next asked everyone to remember what occurred in 2000 when the Friends of the Moormans River, who were referred to as "activists" at that time, came forward and requested the in-stream flow. The reaction from RWSA and everybody else was "no ... impossible ... it can't be done ... no ... absolutely not." Over time, the Board of Supervisors got involved and a lot of time passed. Eventually Mr. Jack Marshall, who was Chairman of the RWSA Board of Directors, came before the Board of Supervisors and stated "ok, maybe we can do it. Maybe Rivanna has been in the past paralyzed by the fear of risk, and we shouldn't be so paralyzed by the fear of risk anymore." The decision was then made to go ahead with the 0.4 mgd in-stream release.

Mr. Martin felt we were in the same situation right now with everyone commenting that it can't be done, instead of saying "how can we do it?... how can we work it out? ... can we work out

something? ... let's do our absolute best." The "logjam" was broken during a work session of the Board of Supervisors held in March 1999. He paraphrased a comment made by one of the Supervisors, Ms. Sally Thomas, at the end of the work session requesting that RWSA not present to the group why the release could not be done but rather how it could take place. The Board of Supervisors unanimously approved the resolution that requested RWSA to return with a plan to implement the release. In August 2, 2000, RWSA presented to the Board of Supervisors a plan that outlined how an in-stream release to the Moormans River could be accomplished, which brings us to the present time.

Mr. Tucker thanked Mr. Colbaugh and Mr. Martin for their comments.

5.0 Consent Agenda

Mr. Tucker 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

- **June 2007 Financial Summary**
- **July 2007 Financial Summary**

5b) Staff Report on Operations

5c) Staff Report on On-going Projects

5d) Design Services - New Ragged Mountain Dam

5e) Design Services – 2008 Steel Tank Painting and Improvements

5f) Revision of Environmental Policy

5g) Dell 16-Inch Water Line Replacement

In regards to **Item 5d), Design Services – New Ragged Mountain Dam**, Mr. Fern commented that the \$3,057,600 being requested for engineering services is basically 60% of the total engineering services budget approved in the Capital Improvement Plan (CIP). He inquired if that figure included construction inspection services, and if not, is the \$5 million estimate included in the CIP too low. Mr. Frederick stated that the \$3,057,600 figure included bidding services but not construction phase services. The agreement also provided for public participation planning, significant coordination with the Virginia Department of Transportation (VDOT) related to the culvert work, and special services associated with discussions on traffic issues at the construction site. He then recognized Ms. Jennifer Whitaker, Chief RWSA Engineer, who could provide a list of the other special services included in the Engineering Services Agreement with Gannett Fleming, Inc.

Ms. Whitaker next stated that RWSA consultants from Gannett Fleming were in attendance today to answer any questions concerning the services provided in the agreement. She further reported that a large portion of the agreement dealt with geotechnical services. Due to the circumstances of the project, RWSA decided to bring the geotechnical work into the design phase. RWSA staff has reviewed the detailed cost estimates that have been published over the past 6 to 18 months for this project and pulled together the monies for the design phase and the construction phase to ensure that there would be adequate funds to cover design, construction management, and construction of the actual projects based on current estimates. When the CIP was revised this winter, construction markets were unpredictable. Roller compacted concrete

(RCC) dam construction is very specialized, and part of Gannett Fleming's work involves monitoring the RCC dam construction market. A provision in their Scope of Work calls for assisting RWSA with the development of more cost effective ways to bid the project thereby reducing the risk to the contractors. Also included in the Scope of Work was a two-phased approach to construction, with the foundation work being done first and the dam construction second, which will reduce the risks dramatically and hopefully also reduce the costs for this project. Although the breakdown of the costs associated with the various components of those two projects in the CIP may not completely match where the funds are spent, RWSA believed that the budgeted amount for the dam construction project could cover the cost of the work associated with the design, construction management, as well as the project construction.

Mr. Fern next asked if RWSA was comfortable that the \$32,500,000 would cover both the engineering services and construction costs of the project. Ms. Whitaker replied that during the past two weeks work has been done to confirm that figure, and RWSA was satisfied that the \$32,500,000 was sufficient to cover the costs associated with all the various elements of the project. Mr. Frederick qualified that Ms. Whitaker's statement was based on the current market.

Ms. Mueller requested clarification about whether the Board should expect a major increase in the costs for the project when the CIP is revised again this winter. Ms. Whitaker stated that between now and November RWSA will be requesting that Gannett Fleming monitor the RCC market conditions and report their findings at that time. Although there were no guarantees that future inflation in the marketplace would not impact future projects costs, RWSA believed that based on current information the amount being requested will cover the estimated project costs. Ms. Mueller further stated that she was concerned since it would have a major impact on water rates, and their customers would expect a thorough scrutiny of the numbers to justify the significant rate increases. Ms. Whitaker added that when the CIP was developed originally, some of the estimates were done in 2005 and 2006 dollars, which were all inflated to 2007 dollars. She felt that the numbers presented to the Board were based on the staff's best efforts and current market trends. Ms. Mueller then inquired about the time frame for completion of the \$32,500,000 project. Ms. Whitaker stated that preliminary documents are due to DEQ in November 2008, and depending on the permitting process, RWSA intended to begin the construction process sometime in 2009.

As there were no further questions or discussion, Ms. Mueller moved that the Board of Directors vote to approve Items 5a), b), c), d), e), f), and g) of the Consent Agenda as recommended by RWSA staff, seconded by Mr. Fern. The motion was approved by a 3 – 0 vote.

6.0 Other Business

In regards to **Item 6a), Permit Extension for University of Virginia Rowing Programs**, Dr. Wichser stated that Mr. Kevin Sauer, Head Coach of the University of Virginia Rowing Crew, has requested a two-year extension on the existing permit allowing the use of gasoline powered safety and coaching launches on the South Rivanna Reservoir. They were actively pursuing research on an electric launch and were expecting the development of acceptable technology within the two-year time frame. RWSA was requesting today that the Board authorize a one-year extension on this permit through August 2008 with authority granted to the

Executive Director to extend approval for an additional year if warranted. RWSA will request that Coach Sauer submit a progress report in June or July 2008 related to the implementation of an electric launch, and any additional extension will be based upon satisfactory progress.

Ms. Mueller moved that the Board of Directors approve a one-year extension on the permit allowing the University of Virginia Rowing programs the use of gasoline powered safety and coaching launches on the South Rivanna Reservoir through August 2008 and also authorize the Executive Director to extend approval for an additional year if warranted, seconded by Mr. Fern. The motion was approved by a 3 – 0 vote.

In regards to **Item 6b), Report on Water Supply Planning Grant**, Ms. Andrea Terry, Watershed Manager, stated that an update on compliance with local and regional water supply planning regulations that were enacted in 2005 is being provided for informational purposes only, and no specific Board action is being requested today. Ms. Terry will be using a PowerPoint presentation to convey this information.

As a review, Ms. Terry commented that Water Supply Planning regulations require that all localities within Virginia have a local or regional water supply plan. Local plans must be submitted by 2008, and regional plans by 2011. RWSA was awarded a \$20,000 grant from DEQ to comply with those regulations. Ms. Terry coordinated with staffs from Albemarle County, City of Charlottesville, and Town of Scottsville, and the planning group decided that a water supply plan would be submitted for the region. Resolutions were adopted by those localities designating RWSA as the representative for this endeavor.

Ms. Terry next recognized Ms. Tamara Ambler from the Albemarle County Community Development Department. Ms. Terry commented that she has been working very closely with Ms. Ambler to compile the necessary information for DEQ.

Ms. Terry next reported that the grant deliverables were divided into four different tasks that matched each of the provisions under the regulation. The grant stipulated the submission of a report for each of the task areas, which included *Existing Water Sources*, *Existing Water Uses*, *Natural Resource Information*, and *Projected Water Demands*. Although there were other provisions that needed to be met, those four comprised the largest portion of the grant requirements and would be discussed in further detail on the following four slides.

Concerning *Existing Water Sources*, Ms. Terry commented that this community was in a good position when these regulations were enacted. Many communities had not yet begun the process of water supply planning or were at a different level. This community was further ahead in this process due its previous work on the Community Water Supply Plan, which was used as a basis for the regional plan. She then discussed the two areas that were not addressed in the Community Water Supply Plan, which included data on groundwater wells and safe yield studies for Beaver Creek and Totier Creek. The groundwater information was supplied by Albemarle County, DEQ, and the Virginia Department of Health (VDH). Gannett Fleming was contracted to conduct the safe yield studies, and their findings of a 1.8 mgd safe yield for Beaver Creek and 1.6 mgd safe yield for Totier Creek were listed on the third slide.

Ms. Terry next proceeded to the slide that addressed *Existing Water Uses*. She stated that most of the data was obtained by tracking down information already in the possession of state agencies. The data that Albemarle County gathered from VDH indicated that there are 17 community groundwater systems in Albemarle County. The largest system serves Earlysville Forest at 45,000 gallons per day, and the smallest one is located at Little Keswick School, which provides a little over 2,000 gallons per day. The City of Charlottesville and the Albemarle County Service Authority were also very helpful in compiling information during this process. DEQ also supplied information on self-supplied users that are characterized by withdrawing more than 300,000 gallons per day. The three self-supplied users in this community included Farmington Country Club, Glenmore Country Club, and Martin Marietta. It has also been estimated that a population of about 45,000 is served by 15,000 individual wells in the County and about 600 individual wells serve businesses.

Ms. Terry next stated that the fifth slide addressed the fourth task and listed the types of *Natural Resource Information* that was being requested. She stated that much of that information had already been compiled by Albemarle County.

Ms. Terry then commented that much of the information requested for the *Projected Water Demands* task had already been compiled for the Urban area during the Community Water Supply planning process. Water demand projections for the Crozet and Scottsville water systems were determined from population projections provided by the Town of Scottsville and Albemarle County, which found that current water demand needs are met for a 30-year planning period as was being submitted to the state for both of those entities. Future forecasts should reassess capacity for Crozet. Based on population projections, water demand in 2035 is estimated to be 1.59 mgd in Crozet and RWSA was projecting a water demand of 1.8 mgd.

Ms. Terry next referred to the last slide entitled *Remaining Work* that listed information to be provided in a future submission to DEQ, which included a *Statement of Need and Alternatives*, *Description of Conservation and Drought Response and Contingency Plan*, *Mapping Elements*, and *Text Narrative* for the tables submitted previously. The decision was made not to send the current *Drought Response and Contingency Plan* in an earlier submission since further refinements to the document could occur when the plan is reviewed at the end of the current drought conditions.

Ms. Terry added that although the compliance deadline for regional plans is 2011, the planning group intended to submit this region's information by fall of 2008. At a meeting held with DEQ, some minor issues were identified concerning the first submission of information. Although the grant cycle ended on June 30, 2007, the planning group will continue to work with DEQ to provide the requested information to fully comply with the Local and Regional Water Supply Planning Regulations.

Mr. Fern inquired if Ms. Terry anticipated future grant money becoming available for this project. Ms. Terry stated that grant monies were allocated based on specific needs of the localities. Since this locality was further along in this process than most, RWSA requested funding sufficient to cover the costs for the consultant studies, which have been completed. If

there were to be additional grant funds available, allocations would be based on identifiable future needs.

Mr. Frederick next commented on a significant finding from the regional planning process just discussed by Ms. Terry. He stated that from a broad perspective RWSA did not see any water supply planning projects that were needed in the next 30 years beyond the requested permit for improvements related to the Ragged Mountain Reservoir. The required studies have been completed by the consultants, so there was no need for additional outside resources at this time.

7.0 Other Items from Board/Staff not on Agenda

Mr. Tucker noted for the meeting record that Mr. Gary Fern was appointed to serve as "Acting Secretary" for today's meeting.

Mr. Tucker next responded to earlier comments made by Mr. Colbaugh and Mr. Martin during the public comment section of the meeting. Mr. Tucker stated that he understood the point raised by Mr. Colbaugh concerning the credibility issue, but he felt credibility could also be lost and confusion raised by switching back and forth on the drought stages. Concerning Mr. Martin's comments related to in-stream flow, Mr. Tucker hoped that Mr. Martin would provide RWSA staff and Board members copies of his correspondence to DEQ. Mr. Tucker then asked Mr. Frederick if had any comments he wanted to share at this time on the issues raised by Mr. Martin. Mr. Frederick stated that as the Board is aware, RWSA submitted a report to this Board that was made public in May 2007. The documentation that supported the recommendation was the most extensive of any RWSA project during Mr. Frederick's tenure with the Authority. It was a very difficult document to prepare due to the diverse demands of the community related to fundamental individual and business needs for water, as well as natural resources protection issues. The community voiced very strongly their preference that the water supply remain in the local watershed during the time frame when various options were under consideration, both inside and outside the watershed. As a result, RWSA felt that it had a strong responsibility to address both sides of that issue, but it also had a clear responsibility that this community did not run out of water. RWSA felt that it developed the strongest plan for in-stream flow releases that had ever been put forward in the Commonwealth of Virginia. Comments made by DEQ suggested that DEQ had similar thoughts about RWSA's in-stream flow recommendations. RWSA was receptive to input on specific provisions of the plan. However, Mr. Frederick would take great issue with any suggestion that this plan was developed in a faulty manner or without considerable thought. RWSA has agreed to reevaluate the in-stream issue and will respond to the concerns raised by Mr. Martin only after adequate data has been obtained, which will require significant modeling and significant costs.

Mr. Fern then referred to an article in Sunday's newspaper concerning a public hearing to be held at the Albemarle County Service Authority Office at 7:00 p.m. on Wednesday, August 29, 2007 to discuss emergency water rates. He commended Mr. Jeremy Borden at *The Daily Progress* for the great job in writing the article. Although it was not anticipated at this time that this area would move into a Drought Emergency stage, the Albemarle County Service Authority wanted to be ready to enact the emergency water rates as soon as an emergency was declared.

Mr. Frederick next stated that last month the Board authorized the Chairman to either declare a Drought Warning should that become necessary or lift the Drought Watch if conditions warranted such action. He felt based on the wording of that motion, the authorization would expire today. He would entertain at the Board's discretion extending the authorization to the Chairman to declare another drought phase if that should become necessary or should the area receive significant rain to perhaps cancel the Drought Warning or even the Drought Watch. Such action by the Board today would eliminate the need for a special Board meeting.

Ms. Mueller moved that the Board of Directors vote to extend the authority of the Chairman for 30 days to either declare a Drought Emergency should conditions warrant such action or cancel a drought stage if future wet weather sufficiently mitigates the risk, seconded by Mr. Fern. The motion was approved by 3 – 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 Ms. Mueller. All members voted aye, and the meeting was adjourned at 2:43 p.m.

Respectfully submitted,

Mr. Gary W. Fern
Acting Secretary-Treasurer