

RWSA BOARD OF DIRECTORS
Minutes of Regular Meeting
March 28, 2005

A regular meeting of the Rivanna Water and Sewer Authority (RWSA) Board of Directors was held on Monday, March 28, 2005 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, Mrs. Judith Mueller, Mr. Gary O’Connell, and Mr. Robert Tucker.

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

Also Present: Mr. Aaron Keno – Gannett Fleming Vice President and Project Principal, Mr. Kurt Krueger – RWSA Attorney, Mr. John Murphy – Director of StreamWatch, Mr. Brian Richter – Director of Sustainable Waters Program for The Nature Conservancy, 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, March 28, 2005 at 2:00 p.m., and he noted that a quorum was present.

Mr. Gaffney welcomed his fellow Board members, RWSA staff, and members of the public in attendance at the meeting.

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 5 – 0 vote approved the minutes of the regular Board meeting held on Monday, February 28, 2005, the minutes of the special Board meeting held on January 20, 2005 concerning the Public Outreach Meeting on the Ragged Mountain Expansion Concept, and the minutes of the special Board meeting held on February 17, 2005 concerning the Public Outreach Meeting on Concept Comparison.

3.0 Executive Director’s Report

Mr. Frederick stated that he wanted to take this opportunity to provide some comments related to the Community Water Supply project. He first thanked the members of each of the four boards who attended the meeting on March 3, 2005 and for dedicating the entire morning to participate in the joint work session. As discussed earlier with Mr. Gaffney, he recognized the amount of time and energy

the members of those boards devoted to this community in light of all their responsibilities and was grateful for their commitment to the water supply process. He further stated that it was true that there were a lot of issues to be addressed and not everyone agreed on the solutions, but he felt the spirit of the discussion went well.

Mr. Frederick also thanked RWSA staff for the tremendous effort they put forth in preparation for this meeting. Discussions with many of the different boards related to the question and answer document had occurred up to two days before the meeting, and it was due to these extra efforts that made it possible for the document to be completed and reviewed at the joint meeting.

Mr. Frederick next gave a status report on the Community Water Supply Plan process. On behalf of City and County elected officials, RWSA staff sent a letter to the regulatory agencies through the U.S. Army Corps of Engineers (the Corps) and the Department of Environmental Quality (DEQ) requesting a meeting with the officials of the four boards. Follow-up telephone calls were being made to determine the availability of the regulators. At this point in time, no dates have been suggested for this meeting. As soon as that information became available, it would be distributed to the various boards.

Mr. Frederick also briefly commented on an agenda item pertaining to the Community Water Supply Plan budget for engineering services. RWSA had reached the point where most of the funding authorized by the Board for engineering services had been spent. This item would be discussed in further detail under "Other Business."

Mr. Frederick further reported that since the March 3 meeting, the consulting team and RWSA staff have had discussions with all of the regulatory agencies of interest. As part of that process, he attended a meeting with the DEQ in Richmond where he met with Dr. Ellen Gilinsky and her staff. At that meeting, a "pre-application process" was offered to RWSA. Under this option, DEQ would review all the technical information provided by RWSA along with memorandum detailing the cost estimates. During the "pre-application" meeting, DEQ would provide feedback on the concepts under consideration related to the permitting process. Other regulatory agencies would be invited to the meeting, but Dr. Gilinsky could not speak as to their participation in that process. RWSA would pursue this matter in further detail if the boards indicated an interest in this "pre-application process."

Mr. O'Connell inquired as to what additional technical information would be needed for this process. Mr. Frederick stated that most of the technical data had already been presented at the Public Outreach Meetings. After reviewing that information, DEQ recommended that the cost estimates be more clearly defined for the nine alternatives. This refinement would require additional engineering work that had not at this point been authorized by RWSA.

Mr. Gaffney inquired if RWSA was proposing that this additional engineering work be authorized by the Board. Mr. Frederick explained that he did not want to interfere with the wishes of the elected officials who specifically wanted a direct

meeting with the regulatory agencies. He added that he felt this option should be considered as possibly a parallel process due to the useful information it could provide on how the alternatives fit into the regulatory process.

Mrs. Mueller commented that she felt Mr. Gaffney's question related to Agenda Item 6e and whether a request for additional engineering services would be included in that report. Mr. Frederick stated that RWSA would apply some of the \$30,000 that had been set aside from the remaining funding for that purpose. Mr. Gaffney further inquired if RWSA would be seeking authorization from the Board prior to using the set-aside funds for additional engineering services. Mr. Frederick commented that he felt the Board's direction pertaining to that issue would be helpful.

Mr. Brent acknowledged the hard work of the RWSA staff over the past six months or more. They had been very responsive to all the questions that had been raised, and a great deal of effort had gone into the providing the answers. He appreciated the tremendous response by the staff.

Mr. Gaffney stated that he felt Mr. Brent spoke for the whole Board with respect to RWSA staff efforts to date and with the time that would be required as the process moved forward.

4.0 Items From The Public

Mr. John Martin, Free Union, stated that he would be making a couple factual inquiries related to the practicality of the James River Pipeline option.

Mr. Martin stated that the first area of factual inquiry related to the question of "why they built the Totier Creek Reservoir?" In a "partial preliminary beginning answer" to that question, he found a resolution that was introduced by the Scottsville Town Council to the Board of Supervisors. This answer was included in the minutes of the Board of Supervisors meeting dated October 21, 1965. He then read the first two paragraphs of the resolution as follows:

"Whereas the Town of Scottsville is planning improvements to its municipal water system; and

"Whereas the Town of Scottsville is presently using the James River as a source of supply for raw water, and this source of supply is quite unsatisfactory."

Mr. Martin commented that the remainder of the resolution recommended a study of the Totier Creek Reservoir. He had known for some time that Scottsville's water supply came from Totier Creek, and he had wondered as to the reason for this. He now realized that Scottsville obtained its water from the James River, and according to the resolution, found it to be unsatisfactory. He did not know the reason for their concern. He stated that it would take some research into some old engineering reports to find that answer. He did not see how we could proceed with the "notion" of using James River water to supply the area's water needs, when it had been "rejected" 40 years ago for use in Scottsville without understanding why Scottsville felt there was a problem with using the James River. He understood

“preliminarily” that Scottsville’s concerns in the 1960’s pertained to both the quality and quantity of the James River water. Mr. Martin reiterated that he was looking for facts and not “speculation or opinion” through historic records to determine if those concerns could be addressed now.

Mr. Martin further stated that the second area of factual inquiry pertained to the water withdrawal by the Dominion Electric generation plant at Bremono Bluff. It was an old plant, and he did not know precisely the amount of water that they withdraw from the James River but he suspected that it was less than 15 million gallons per day (MGD). During the drought of 2002, beginning in 2001 they had experienced some kind of problem with their water intake. Dominion Electric had corresponded with the Corps on this matter, and a special apparatus was taken out into the river bed to divert the water toward their water intake. He did not know anything about the kind of apparatus, its cost, or what the intake looked like, but the flow was so low that they had to take these temporary measures. In 2002, Dominion Electric corresponded again with the Corps concerning dredging that they performed in the area of their intake.

Mr. Martin also remarked that in Gannett Fleming’s technical report, the proposed intake for Scottsville was shown as a “pretty little building on the side of a river.” He was not certain if there would be more to the Intake building than was shown in that report. He also commented that the flow in the James River was in the hundreds of millions of gallons during extreme low flow periods. It was an extremely wide river, and he had “antidotally” been told that the low flow is very shallow. A lot of the flow coming down the river was not coming anywhere near the intake. The question was ... “How much water would actually be available to an intake under really low-flow conditions with a side river intake?” and “What kind of apparatus or equipment or what would be needed to make sure that enough water was diverted to the intake so that it could be picked up?” He also inquired if Scottsville would be required to do the same thing as Dominion Electric during low-flow periods if an intake was installed there. He felt that we should know now and also investigate Dominion Electric’s experience at Bremono Bluff. Mr. Martin added that we should also know, as well as the Scottsville residents, what the effect would be on the James River by putting in some kind of temporary or permanent apparatus.

Mr. Martin requested cooperation in looking for historic records containing old engineering reports pertaining to the issues he addressed at the meeting.

Mr. Gaffney thanked Mr. Martin for his comments and also stated that he appreciated his hard work in obtaining this information.

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) Staff Report on Community Water Supply Plan

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

6.0 Other Business

Upon a request by Mr. Brian Richter with The Nature Conservancy and Mr. John Murphy with StreamWatch to change the order of the agenda, Mr. Gaffney stated that the StreamWatch report would be presented first, followed by The Nature Conservancy's presentation.

In regards to **Agenda Item 6b), Comprehensive Annual Financial Report – Fiscal year Ending June 30, 2004**, Mr. John Murphy, Director of StreamWatch, stated that he had been two years since the last time he spoke before this Board, and he appreciated the opportunity to do so again at this meeting. He also thanked RWSA for their involvement in the StreamWatch program. RWSA joined StreamWatch early in the process of establishing the program, and until this year, RWSA was the lead financial supporter which help stimulate contributions from other sources. RWSA had also provided strong staff support, access to technical information, and were vocal in their support of the program. A very significant contribution by RWSA was in the area of accounting. He specially thanked Ms. Kathy Ware who provided great assistance by producing financial reports for the program.

Mr. Murphy then described the types of programs provided by StreamWatch. He stated that its mission was very constrained in that it only provided scientific data and information to the community. They did not engage in enforcement, regulation, policy development, or advocacy, but StreamWatch was active in the dissemination of information. Reports were distributed to program volunteers, to cooperating land owners, to organizations and agencies that were involved in watershed management. He considered StreamWatch to be a science program with substantial educational spin-off. Mr. Murphy further stated that the program was aggressive in providing the information to the media and making similar presentations to local decision makers, such as the Board of Supervisors and City Council.

Mr. Murphy explained that StreamWatch community partners were listed in back of the report that was included in the Board package. He noted that although the partners embodied different and sometimes conflicting usages of Rivanna watershed resources, all agreed on the importance of obtaining good information. He further explained that StreamWatch was a vehicle by which diverse stakeholders could agree on the condition of the resource, and hoped that this helped to lay a groundwork for the different stakeholders to work together to manage the resource wisely.

Mr. Murphy next discussed the first study produced by StreamWatch. He referenced a map of the Rivanna watershed, which illustrated their sampling sites.

With the help of over 50 volunteers, benthic samples were collected throughout the watershed over a period of about a year and a half. He referred to the examples of benthic macroinvertebrates that were distributed among the Board members prior to beginning his presentation. StreamWatch's interest in these species was not based on their aesthetic appeal but pertained to what they indicated about the condition of the resource. StreamWatch collected 115 benthic samples at 25 stations throughout the watershed. Four stations were located on the main stem, with remainder being located on tributaries. In addition to the collection of biological data, an analysis was undertaken of land use and land cover in all of the watershed draining to its sampling sites. Population density, forest cover, and equivalent impervious surface were also analyzed. All this information was incorporated into an index of land use intensity, which was intended to show a general intensity of land use in each of the watershed's draining to our sampling sites.

Mr. Murphy further stated that their analysis indicated that precisely two-thirds of their sites had biological communities that were in fair condition. Two were in very good shape, and the remaining five were either in poor or very poor conditions. The considered the 21 tributary sites to be representative of the Rivanna basis, and StreamWatch assessed the general condition of the basis to be as fair. The very healthiest streams in the watershed were Upper Buck Mountain Creek in Western Albemarle County and the Middle Fork of Cunningham Creek in Fluvanna County. Those streams drained watersheds that were over 80 percent forested. Most streams fell in the category called "Fair" and were generally rural streams. The drained areas were located where people lived and worked. Although they were not considered pristine, but they still had a decent variety organisms, including sensitive organisms.

and to better fund depreciation in the budgeting process. The debt service coverage has improved greatly over the past two years, from 1.1 in FY 2002 to 1.7 in FY 2004." Mr. Huff commended RWSA on its progress in those areas.

Mr. Huff concluded by stating that he was pleased to note that RWSA's Comprehensive Annual Financial Report was in compliance with all statutory matters.

Mr. Brent stated that the report listed the actual debt service coverage figure for issued bonds, but there was no indication of what the bond documents required. He asked if this requirement varied from issue to issue.

Mr. Wood replied that there was no real requirement in the bond covenants. It is an unofficial requirement that bond rating agencies would view higher rates more favorably and ratios differed among the types of authorities. Mr. Huff and Mr. Wood agreed there is, implicitly, a requirement to charge enough revenue to pay the debt service, which is a minimum 1 to 1 ratio.

Upon a motion by Mr. Tucker, which was seconded by Mr. O'Connell, the Board of Directors voted to accept the Comprehensive Annual Financial Report for Fiscal Year Ending June 30, 2004. The motion was approved by a 5 – 0 vote.

In regards to **Agenda Item 6c), Presentation on The Nature Conservancy's Adaptive Management Program**, Mr. Gaffney noted that due to weather conditions this report would be postponed until the March meeting.

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6.0 Other Business (Cont.)

February 28, 2005

In regards to **Agenda Item 6d), Fiscal Year 2005-2006 Budget Request**,

7.0 Other Items From Board/Staff Not On Agenda

There were no other items from the Board or staff not on the Agenda.

8.0 Adjournment

There being no further business, Mr. Tucker moved that the meeting be adjourned, seconded by Mrs. Muller. All members voted aye, and the meeting was adjourned at 4:07 p.m.

Respectfully submitted,

Mr. Robert Tucker
Secretary - Treasurer