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**RWSA BOARD OF DIRECTORS
Minutes of Regular Meeting
January 26, 2016**

A regular meeting of the Rivanna Water & Sewer Authority (RWSA) Board of Directors was held on Tuesday, January 26, 2016, at 2:15 p.m. in the 2nd floor conference room, Administration Building, 695 Moores Creek Lane, Charlottesville, Virginia.

Board Members Present: Mr. Tom Foley, Mr. Mike Gaffney, Ms. Kathy Galvin (joined meeting at 2:20 p.m.), Mr. Maurice Jones, Mr. Gary O’Connell and Dr. Liz Palmer.

Board Members Absent: Ms. Judith Mueller.

Staff Present: Mr. Tim Castillo, Ms. Victoria Fort, Mr. Tom Frederick, Rich Gullick, Ph. D., Ms. Teri Kent, Mr. Doug March, Ms. Michelle Simpson, Ms. Andrea Terry, Ms. Jennifer Whitaker and Mr. Lonnie Wood.

Also Present: Mr. Kurt Krueger – RWSA Counsel, 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 Tuesday, January 26, 2016 at 2:18 p.m., and he noted that a quorum was present.

2.0 Minutes of Previous Board Meeting

a. Minutes of the Regular Meeting of the Board on December 15, 2015

Mr. O’Connell moved that the Board of Directors approve the minutes of the regular meeting of the Board held on December 15, 2015 as presented. Mr. Jones seconded the motion, which passed by a 4-0 vote with one abstention. Ms. Palmer abstained from the vote, as she had not yet joined the RWSA Board for the December 2015 meeting. Ms. Mueller was absent from the meeting and the vote. Ms. Galvin had not yet joined the meeting and was absent from the vote.

3.0 Executive Director's Report

Mr. Frederick welcomed Dr. Liz Palmer as the newest board member, noting that Dr. Palmer had been selected by the Board of Supervisors at a meeting earlier in January as their representative to the RWSA Board. Mr. Frederick stated that Dr. Palmer had been an interested citizen for many years, and had attended the press conference when he was hired.

Dr. Palmer commented that she had been coming to RWSA Board meetings since 1998.

Mr. Frederick stated that Ms. Galvin had been reappointed by Charlottesville City Council earlier in January for another four-year term on the RWSA Board.

Ms. Galvin thanked him for the recognition.

Mr. Frederick stated that staff had hoped to have on the meeting agenda the award of a construction contract for the odor control project at the Rivanna authorities' Moores Creek site, but from the bids taken on December 16, 2015, the lowest bid was more than \$1 million over budget. He stated that staff regrouped and met with the two design engineers, and were happy with some of the ideas that emerged from that brainstorming session. Mr. Frederick stated that staff then asked the engineers to talk to all of the bidders once all bids were rejected, and explained that bidders priced projects based on how they interpreted the engineering specifications, including risk assessment. He stated that staff was not assuring the Board that the budget gap could be completely closed, and there could be some discussion about possibly adjusting the budget once bids were received. Mr. Frederick noted that staff was pleased with some of the ideas obtained without impacting the integrity of the project, which was expected to be rebid in February with contract award in March.

Mr. Frederick stated that the Rivanna authorities closely tracked General Assembly activity through participation in the Virginia Water and Waste Authorities Association as well as the Virginia Association of Municipal Wastewater Agencies, and stated that General Assembly committees were meeting that week and starting to bring bills out of committee onto the floor. He added that staff would keep the Board apprised of any progress and would indicate whether further support from elected officials was necessary, and noted that the Board of Supervisors and City Council had already provided support to RWSA if it becomes necessary to attempt to defeat a possible bill to take away nutrient allocations.

Mr. O'Connell asked if the nutrient bill had moved forward at all or if it was still in committee.

Mr. Frederick responded that there was a bill in committee that would create a study commission, which was the way he had hoped it would go, and stated it was a positive move but not a dramatic one.

Mr. Frederick referenced a graph recently distributed to the Board depicting Mechums River stream flow, stating that the flow was well below average during the period of July through September, with a dramatic change around October 1 and rainfall and streamflow levels now consistently above average. He noted that currently all reservoirs were full except the Ragged

Mountain Reservoir, and he anticipated that it would be close to full or full by the next Board meeting.

Mr. Gaffney commented that it was exciting to watch the reservoir rise 1/10th of a foot at a time on the daily reports.

Dr. Palmer asked if the daily reports reflected snowfall.

Mr. Gaffney responded that it was 1.8” on the last report, so that must have been the equivalent rain.

Mr. Frederick stated that he was not completely versed in the “conversion methodology”, but there was a way to convert snowfall to equivalent rainfall measurements.

Ms. Galvin asked the status of the flow metering for the wastewater projects, as this was something that should be done given all of the recent moisture.

Mr. Frederick responded that there were tentative numbers from engineers on 2015 dry weather and wet weather flows, but there was still “a little bit” of further work to be done for future year projections, with March 1 as the target date for completion.

Ms. Galvin commented that she was interested in seeing the results.

Mr. O’Connell asked if a full report would be coming March 1, because the write-up had only mentioned charts.

Ms. Whitaker responded that the intention was to have numbers available March 1, with the report completed by the end of April or beginning of May, and commented she wanted to ensure there were numbers available for cost allocations in the operating budget to be submitted in March.

4.0 Items from the Public

Mr. Gaffney invited comments from the public.

Mr. John Martin of Free Union addressed the Board, stating that he wanted to address the 2016-2020 Capital Improvement Plan, specifically the South Fork to Ragged Mountain pipeline. He stated that he had read the packet of material and was disappointed to see that the “project inception” had been moved from 2017 to 2018. Mr. Martin stated that he also noted that the pipeline project was characterized as a “discretionary project,” which seemed to diminish a whole lot of history and deemphasize the project’s importance. He emphasized that the project was a commitment to the public and was extremely important, especially in the “out-years” when the additional safe field was needed – but it was also important in the short term in the context of reservoir management to have the water and the flexibility. Mr. Martin stated that it was also necessary as a safety net, given climate change and its potential impact on the reservoirs, and to have that pipeline in the ground would allow the community to handle anything. He asked the

Board to look at their priorities and find a way to start the pipeline project with right of way acquisition in 2017 instead of 2018.

There being no additional public comments, the Chair closed this portion of the meeting. Dr. Palmer commented that she agreed with Mr. Martin, but would discuss it in the context of the CIP discussion.

5.0 Responses to Public Comments

There were no responses to public comments from the December meeting. It was agreed that Mr. Martin's comments would be addressed through the introduction of the CIP on the present meeting agenda.

6.0 Consent Agenda

Mr. Gaffney asked if there were any items from the Consent Agenda that Board members wanted to pull for comments or questions. There were none.

- a) Staff Report on Finance – November 2015*
- b) Staff Report on Finance – December 2015*
- c) Staff Report on Operations*
- d) Staff Report on Ongoing Projects*

Mr. Jones moved to approve the Consent Agenda as presented. Dr. Palmer seconded the motion, which passed unanimously (6-0). Ms. Mueller was absent from the meeting and the vote.

7.0 Other Business

- a) Introduction of 5-Year Capital Improvement Program for FY 2016-2020*

Mr. Frederick stated that Jennifer Whitaker was present and could provide details on the items on the plan, and Lonnie Wood could answer questions regarding the financial aspects of the CIP. Mr. Frederick stated that the RWSA had implemented a very ambitious capital improvement plan for a number of years, with many issues to tackle including repairing aging infrastructure, meeting state and federal mandates and regulations, and addressing a number of issues related to best practices that the organization had not always followed in the past. Mr. Frederick noted that rates had increased in recent years to pay for the plan and debt service was higher than it had been in past years, and while the money was well spent, maintaining that same level of expenditure in the next several years would not be desirable financial planning. He stated that given this, Rivanna needed to look at its infrastructure and financial needs and had tried to limit or curtail the total size of the plan over the last three years. Mr. Frederick stated that the current plan did not decrease forward expenses as much as was hoped, as the extent of remaining infrastructure priorities reflected in this CIP made that goal challenging.

Mr. Frederick stated that RWSA had completed \$12 million in CIP improvements within the past year and was adding \$8 million in new improvements to the plan not listed a year ago. Mr. Frederick emphasized that priorities were now more on the drinking water side as improvements to the wastewater system reflected in prior CIPs were complete or approaching completion. He stated that in prioritizing projects for the capital budget, mandates from the federal and state governments were given a higher priority than locally driven priorities, but every project in this plan was important over the long term. Mr. Frederick noted that sometimes even the best laid plans to start addressing local needs were interrupted when the EPA or DEQ forced something that was unanticipated, so RWSA had to make adjustments accordingly. He stated that possibly the most difficult facet of the CIP was to refrain from promising more than could be delivered, and staff had to make some adjustments to scheduling projects to reflect limited staff resources. Mr. Frederick mentioned that RWSA staff had not identified a need for increasing engineering staff over the long-term, and would not recommend a short-term increase, that would lead in a later year to a layoff, simply to advance the pipeline project by one year. He stated that if Board members wanted to move the South Fork to Ragged Mountain pipeline forward to 2017, they would need to identify some projects of corresponding effort in the plan that they felt could be further postponed – and staff could assist in that effort. Mr. Frederick noted the difficulty of this effort by example from the CIP, naming water tank structural repairs, stating that the risk of postponing that would be the possibility of a tank collapse.

Dr. Palmer stated that she understood Mr. Frederick's point, but her concern was that development plans had already been received by the County for the area in which the former US 29 Bypass corridor was identified, which Mr. Frederick had commented previously may no longer be the best corridor for the pipeline. Dr. Palmer recognized that there had been a series of public meetings regarding whether the pipeline should go in front of or behind Albemarle High School, and her concern was that this was in the growth area and would be intensely developed. She stated that she would like to discuss the prospect of reserving right of way and have Mr. Frederick talk with County staff about what they expected to happen in the area – which might actually reduce the amount of work that the RWSA would need to do for the pipeline, at least in terms of public process. Dr. Palmer emphasized that she would at least like to have the discussion about the pipeline, and stated that there had been so many additional unexpected projects arising over the last several years, and those might or might not happen in the future. She added that she would like for the RWSA staff to talk with the County's Community Development Department to at least discuss expectations and perhaps lessening the burden for reserving right of way.

Mr. Frederick responded that RWSA staff would be happy to have this discussion with Community Development to address their specific concerns, and while there may be alternatives that affected the growth area, there were also alternatives outside of the growth area – so he was not certain the pipeline would be in the growth area unless the County planned to expand the jurisdictional boundary in the area west of Hydraulic Road. Mr. Frederick added that if the Director of Community Development had some issues he wanted to discuss, then RWSA staff should meet with him to talk about them.

Dr. Palmer stated that she was not sure how many issues the Community Development Director had to discuss with the RWSA, and she may have been the catalyst for this discussion.

Mr. Gaffney commented that the former US 29 Bypass route was a very viable option if a contractor had graded that area for the highway, but since that has not happened the cost for the RWSA to go grade it for a pipeline would be extremely high.

Dr. Palmer stated that she was just wondering where the pipeline would go, and she would like to at least explore possibilities where development was already underway, such as the area behind Lambs Road, so that the right of way was not so incredibly difficult to get when the time came.

Mr. Frederick stated that he appreciated her comment about unexpected additional projects in the CIP that had taken on a high priority, noting that in doing some structural evaluations of water tanks, the RWSA had found structural problems that resulted in the need for new projects that rose to the top of the priority list given inherent risks. He added that the timing of the Route 29 Solutions projects had also changed the order of priorities, as replacing a water line in Route 29 was not a critical project when VDOT was planning a Bypass, but then the Route 29 Solutions project to widen a section of US 29 suddenly offered the opportunity for the RWSA to build a portion of this water line and save \$2-3 million by incorporating it in the VDOT project.

Regarding Mr. Martin's comments, Ms. Galvin stated that the community believed in the value of redundancy, especially in the era of unpredictable weather, and Dr. Palmer's concerns over the need for land area were also valid, given that discussions over easements could be very tricky. Ms. Galvin emphasized that it was important to be proactive and she did not see any problem with pursuing that line of reasoning, as it would box them in if they could not find a corridor for the pipeline.

Dr. Palmer stated that it was explained well in the water supply planning process that the pipeline allowed them to use the water treatment plant more efficiently¹.

Mr. Frederick commented that in the event of a temporary reservoir closure, the best security for the community was the pipeline. He cautioned, however, that RWSA's capital needs for redundancy were far more complex and not gained by investment in a single project. He cited other examples, to include the need for redundancy as second pipelines crossing both the North Fork and South Fork of the Rivanna River. Mr. Frederick stated that the RWSA had already been talking with the ACSA about the timing of the UVA North Fork Research Park expansion and potential for a second river crossing when that project developed. Mr. Frederick stated that the ACSA and the County were in the process of reviewing a new residential subdivision between the South Fork River and Forest Lakes, and the RWSA viewed this as a potential opportunity to gain some redundancy. He noted that the RWSA was working with ACSA staff to leverage that as much as possible by incorporating the needs of the development into redundancy needs, and to the extent that further extension of pipe was needed for redundancy, the RWSA would make sure to program that appropriately.

¹ Editor's Note: The pipeline would allow water from either the South Fork Reservoir or the Ragged Mountain Reservoir to be conveyed to either the South Fork Water Plant or the Observatory Water Plant for treatment. Its efficiency is in the avoidance of capital costs for redundant treatment plant capacity for emergency operation when one of the two reservoirs is closed most likely due to water contamination.

Mr. Frederick stated that the Avon to Pantops water main – formerly called the “eastern section of the southern route” – was another important redundancy item, which had at one time been removed from the CIP as a part of difficult priority decisions but this year had returned to the CIP, but it was not scheduled to be studied until FY18. Mr. Frederick added that if RWSA could get through the next 5-10 years and build some of these projects, RWSA would have a very nice water system.

Mr. Gaffney stated that if the DEQ and others did not add more to the list, perhaps rates could stabilize for some time.

Mr. O’Connell stated that he did not recall the original work to which Dr. Palmer had referred, and asked if there was some preliminary work to build open related to the bypass routes.

Mr. Frederick responded that there had been some preliminary work done that would need to be updated in the proposed study, and some of the alternatives that were considered in 2005 may no longer be as feasible as they once were. He stated that in looking at the US 29 Bypass route in 2005, at which time there was uncertainty about whether it would be built although the route itself was certain because the right-of-way had been purchased that also divided properties along the route. Mr. Frederick stated that now that the rights-of-way were being sold back and the Bypass was not being built, he felt that the RWSA owed it to the people in the area to take a fresh look rather than consider the old Bypass route to remain the pipeline route and be “set in stone”.

Dr. Palmer stated that the pipeline could go in part of the old Bypass route but not others, and UVA was still “a factor” with the final one-third of the pipeline route.

Mr. O’Connell asked if there were possibilities of coming from the reservoir in different locations, as that might open up some other possible routes.

Mr. Frederick responded that there were alternative possibilities at both reservoirs, and those decisions could affect what the appropriate pipeline route would be. He stated that somewhere in the Reservoir Road area the RWSA would need a pump station to pump water from lower levels of the Ragged Mountain Reservoir to either the Observatory Water Plant or to the South Fork Reservoir. Mr. Frederick noted that there were several details and challenges to citing the pump station, including the cost of extending three-phase electric power supply, and those issues would be addressed when the study was done. Mr. Frederick added that there was a lot of public engagement anticipated with the pipeline project, which was part of the rationale behind bringing Ms. Kent to the organization, and he did not want to set up a situation in which RWSA did not have the capacity to undertake the project properly before facing public opposition.

Dr. Palmer commented that she would talk some more about it in the future.

Mr. Frederick clarified that RWSA staff would meet with Mr. Graham, and would report back to the RWSA Board on that conversation.

Mr. Frederick next referred back to the CIP in general, and stated that the CIP document was large and would take some time for the Board to consider, therefore, it was RWSA staff's intent for the Board to adopt it at the February meeting, with the plan to introduce the RWSA FY17 operating budget in March. He noted that by March 1, the wastewater allocation numbers would be available and would be factored into the debt service charges for the ACSA and the City, to be proposed in the operating budget.

Mr. O'Connell asked Mr. Frederick if he was planning to do a more formal presentation at the next Board meeting.

Mr. Frederick responded that staff had no specific plans but could provide a more formal presentation if it were the Board's pleasure.

Ms. Whitaker stated that she did not have a PowerPoint prepared but did have more formal notes that she could provide to the Board. Ms. Whitaker stated that the preparation of the CIP required approximately nine months, and she thanked other RWSA staff for their assistance in the process. She noted that this year the RWSA had completed nine major projects: Ragged Mountain Dam construction; Alderman Road mitigation plan upgrade; Pantops tank repairs; significant South Fork Rivanna Dam safety improvements; replacement of a large portion of the Crozet transite pipe; comprehensive rehabilitation of the Albemarle-Berkley Interceptor; installation of new bar screens at the Crozet Interceptor; revamping of the digester mixing and heating at the Moore's Creek Advanced Water Resource Recovery Facility; and operational improvements at the Scottsville Wastewater Plant that allowed for elimination of a new project. Ms. Whitaker noted that these projects came in at a total of about \$1 million less than budgeted, so that money could be used toward funding the next round of projects. She stated that staff were very cost-conscious even when large numbers were involved. Ms. Whitaker reported that there were three projects that had significant budget changes this year – including wholesale water metering, with bids coming in quite well and construction starting in early February, with project costs going from \$6.4 million to \$3.6 million. Ms. Whitaker stated that the Beaver Creek Dam alteration costs were shown as down by several million dollars, but not because project costs had gone down. Ms. Whitaker explained that the state legislature postponed the state mandate for this project to require a state agency to review its methodology for identifying the probable maximum flood, so a portion of this project was now anticipated in 2021, which was beyond the current five-year plan.

Mr. Frederick commented that the Beaver Creek Dam Alteration project was another state mandate that took the RWSA by surprise, requiring RWSA to substitute the state's priorities for our local priorities, without which it might be possible to initiate the South Fork pipeline study in 2017.

Dr. Palmer asked if the Beaver Creek project might be postponed.

Mr. Frederick responded that he was uncertain and it would depend on actions by the Commonwealth beyond the control of RWSA. He noted that historically when a state agency passed mandates, enforceable deadlines with penalties were generally of a short time frame thereby demanding that the project could not be delayed.

Mr. O'Connell asked whether the origin of this was floods.

Ms. Whitaker explained that in 2008, Virginia went from an older model of dam safety to the federal model – which was a pretty massive acceleration of new dam safety mandates that caused pushback at the local level across the Commonwealth. She stated that from 2008-2014, every legislative session had bills going back and forth related to either dismantling or enhancing the dam safety program. Ms. Whitaker noted that the new mandates placed about 100 dams under order to upgrade (including Beaver Creek) – which meant significant dollars for municipalities as well as homeowners associations and other dam owners. She stated that the legislature placed a pause on the upgrades and asked the state agency to reevaluate storm system models, which had been based on data from the 1970s and 1980s. Ms. Whitaker added that this reevaluation was now in progress.

Dr. Palmer asked if the reevaluation would be submitted to the legislators.

Ms. Whitaker responded that “in theory” it would be submitted to legislators but had not yet been formally published, and rumors seemed to indicate that requirements were going to go down – but it was unclear to what degree. She noted that the guidance to be published in March or April would provide a better idea as to how much upgrade would be required.

Mr. Frederick commented that whether planned or unplanned, this certainly had the potential for more legislative oversight because this type of capital-intensive requirement would likely have local officials contacting their representatives. He added that implementing the Beaver Creek Dam Alterations project would require coordination with the County due to the presence of a two-lane road along the crest of the dam, which would require some improvements.

Mr. Foley stated that the County had potential improvements to a dam at Hollymead that was also connected to this legislative study.

Dr. Palmer asked if there was a bill currently in the legislature.

Ms. Whitaker responded she was not aware of a current bill, but there was an approaching deadline for submission of the study report to the Soil and Water Conservation Board committees. She noted that the timing was such that as the report became known, action could be taken – and the intent of the state agency was to bring all Virginia dams up to the federal standard.

Mr. Foley asked for clarification that this matter would go to the legislature next year, since all bills had been submitted for the current General Assembly session.

Ms. Whitaker responded that she had received no legislative alerts on this matter, which led her to believe it was being handled on an administrative level, and Department of Conservation and Recreation staff was telling localities to expect some guidance in April or May.

Mr. Frederick commented that Mr. Foley was correct that the normal deadline for introducing legislation had passed, and it was a bit unusual for a study to come due this time of year.

Dr. Palmer stated that this was why she was asking so many questions, as she found this timing to be a bit confusing.

Ms. Whitaker stated that the legislation had changed every year since 2008, so there was “a lot of stop and go”.

Seeing no further questions on the Beaver Creek Dam, Ms. Whitaker moved to other items in the CIP, and reported that the third project that had significant changes this year was the Crozet Flow Equalization Basin for wastewater, noting the previous CIP had included funds for the siting study and evaluation work. She stated that the current proposed CIP included siting work and also allocated construction funding with an estimated project cost of more than \$2.5 million.

Mr. O’Connell asked if the earlier project cost estimates of \$8 million to \$9 million were still correct.

Ms. Whitaker responded that early discussions had included the possibility of a larger basin, but more recent estimates were between \$2.5 million and \$5 million, to include tank, pump station and odor control facility. She stated that the RWSA would have a better idea once the more current wastewater wet weather flow projections were available, as they would indicate how successful the inflow and infiltration abatement program had been. Ms. Whitaker noted that the size would drive the cost.

Ms. Whitaker stated that the first page of the CIP document included a list of all projects with the first “nine or ten being water-driven”, many of which had been delayed in previous years because there had not been time or funds to address them – but in more closely examining water plants, RWSA staff was finding more long-term needs to be addressed. Ms. Whitaker reported that the Route 29 Betterment project was taking advantage of VDOT’s current level of activity on Route 29. She stated that there were structural issues at the Piney Mountain tank facility that would be addressed. Ms. Whitaker stated that staff had looked at a condition assessment for the pipes between the Ragged Mountain Reservoir and the Observatory Treatment Plant, including pipes built in 1908, the 1920s and 1948, and RWSA would like to avoid a catastrophic failure there. Ms. Whitaker reported that the CIP included preliminary routing work for the Avon to Pantops water main project, and staff has noted that the Pantops and Avon tanks really drive the urban water system – and an interconnection between the two was needed to improve system reliability, particularly as water demand increased over time.

Ms. Whitaker next discussed the leaf screen replacement at the South Fork Reservoir intake, which was original to the plant’s inception of 1966. In recent years a few times per year staff had to remove eels from the raw water pumps due to screen failure, so the screen needed to be replaced. She stated that the leaf screen was integrally cast into the dam so it was not a piece of equipment that could just be removed and replaced – it had to be fabricated to fit exactly into the hole it came out of. Ms. Whitaker noted that staff had found a manufacturer that could build it, so it would be a sole-source procurement. Ms. Whitaker reported that the South Fork plant

would need to operate during screen replacement at least 18 hours per day, so the CIP included a comprehensive factory overhaul to replace every piece of the leaf screen. She stated that there was painting and general rehabilitation work for Buck's Elbow tank in the "out years" of the CIP

Ms. Whitaker stated that the Crozet Water Treatment Plant and Finished Water Pump Station had reached a "tipping point" and needed upgrades in order to provide reliable service to a larger population in the future, particular with the Finished Water Pump Station – which had some serious issues affecting reliability. She noted that the RWSA was fast-tracking the study and potential upgrade of that facility to address some of those issues, noting the pump station was on low ground that flooded the inside of the building during rain, and was inadequately ventilated for cooling without keeping a door open that then allowed vermin to frequently enter.

Mr. O'Connell asked how old was the Crozet water plant.

Mr. Whitaker responded that the entire plant was built in the mid to late-1960s.

Mr. Frederick clarified that was built before RWSA was formed, and RWSA acquired the facility after it was built. He stated that the floor slab to the finished water pump station was built too low in a floodway area, the drinking water was safe because it was concealed inside a pipe, but the building itself flooded.

Mr. O'Connell noted that the plant originally served the Con-Agra facility in Crozet.

Ms. Whitaker commented that the building was very small and really had been shoehorned in and relocated as much as reasonable, so it needed to be replaced in order to have a useful life for the community.

Ms. Whitaker reported that the CIP also included replacing several aging water valves as well as some roof replacements for facilities. She stated that all of the roofs at the Moore's Creek facility were built in the early 1980s of the same material and were all having maintenance problems now due to deterioration beyond the expected life. Ms. Whitaker stated that the CIP also included radio upgrades related to overall 911 system improvements in the community. She added that the CIP included a second high-speed centrifuge at the Moore's Creek facility for redundancy, and noted that the second centrifuge would also decrease manpower costs at the facility because there would be one operator for twice as much production when both centrifuges were operating.

The Board thanked Ms. Whitaker for her presentation.

Ms. Galvin asked Mr. Wood if rates would increase because of changes in variable bond rates.

Mr. Wood responded that they could, but it was a difficult question to answer because when the Federal Reserve raised short-term interest rates in December, the immediate market reaction was that long-term rates actually went down.

Mr. Foley asked what assumption he was using on rates.

Mr. Wood responded that he was using 5% on 30-year terms, which was a fairly conservative assumption, and noted that the RWSA's last rate was 3%.

Mr. Foley commented that it was good to have some room in there given the current environment.

Mr. O'Connell asked if there would be a public hearing on the CIP.

Mr. Frederick responded that the Board was not required to hold a public hearing on the CIP, but the Board could choose that option if they wished.

Mr. Foley asked if the rate setting would come later.

Mr. Frederick responded that the rate resolution would come with the operating budget and would require a public hearing, scheduled for May.

8.0 Other Items from Board/Staff not on Agenda

Mr. Frederick stated that an issue had recently arisen in which staff was requesting be added to the agenda, regarding additional construction inspection services related to emergency water main repair across the North Fork Rivanna River. He stated that the request was for an additional \$16,000 through Whitman Reckhart to continue inspection services, with the contractor challenged by high stream flows due to the weather.

Mr. Foley moved that the Board authorize an additional \$16,000 to retain WRA to perform construction and inspection services for the North Fork Rivanna River project through February 2016. Mr. Jones seconded the motion, which passed unanimously (6-0). Ms. Mueller was absent from the meeting and the vote.

9.0 Closed Meeting

Mr. Foley moved, seconded by Dr. Palmer, to adopt the following resolution:

RESOLVED that the Board of Directors of the Rivanna Water and Sewer Authority enter into a closed meeting to receive legal advice from counsel regarding property issues with respect to the Wholesale Metering Project as permitted by Section 2.2-3711.A7 of the Code of Virginia.

The motion passed by a vote of 6-0. Ms. Mueller was absent from the meeting and the vote.

The RWSA Board went into closed session at 3:15 p.m.

Resumption of Open Meeting

The Rivanna Water and Sewer Authority Board of Directors meeting was resumed in open session at 3:37 p.m.

Mr. Foley entered the following resolution, seconded by Dr. Palmer:

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

WHEREAS, Section 2.2-3712.D of the Code of Virginia requires a certification by the Rivanna Water and Sewer Authority that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED that the Rivanna Water and Sewer Authority hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law and, (ii) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered in the closed meeting by the Rivanna Water and Sewer Authority.

Mr. Krueger called for a roll call vote: Ms. Mueller – absent; Mr. Jones – aye; Ms. Galvin – aye; Mr. Gaffney – aye; Dr. Palmer – aye; Mr. Foley – aye; Mr. Boyd – aye; and Mr. O'Connell – aye. The motion passed by a 6-0 vote.

10.0 Adjournment

Mr. Foley moved to adjourn the RWSA Board meeting. Mr. O'Connell seconded the motion, which passed unanimously (6-0). Ms. Mueller was absent from the meeting and the vote.

There being no further business, the meeting adjourned at 3:38 p.m.