RWSA BOARD OF DIRECTORS
Minutes of Regular Meeting
February 27, 2018

A regular meeting of the Rivanna Water & Sewer Authority (RWSA) Board of Directors was held on Tuesday, February 27, 2018 at 2:15 p.m. in the 2nd floor conference room, Administration Building, 695 Moores Creek Lane, Charlottesville, Virginia.

Board Members Present: Mr. Mike Gaffney – Chair, presiding; Ms. Kathy Galvin; Ms. Lauren Hildebrand; Mr. Maurice Jones; Mr. Gary O’Connell; Dr. Liz Palmer; and Mr. Jeff Richardson.

Board Members Absent: None.

Staff Present: Mr. Tim Castillo, Ms. Victoria Fort, Mr. Tom Freeman, Mr. Rich Gullick, Mr. Austin Marrs, Mr. Bill Mawyer, Ms. Katie McIlwce, Mr. Bill Morris, Ms. Betsy Nemeth, Mr. Scott Schiller, Ms. Michelle Simpson, Ms. Andrea Terry, Ms. Jennifer Whitaker, and Mr. Lonnie Wood.

Also Present: Mr. Kurt Krueger, RWSA counsel and members of the public.

1. CALL TO ORDER

Mr. Gaffney called to order the Board of Directors of the Rivanna Water and Sewer Authority at 2:37 p.m.

2. MINUTES OF PREVIOUS BOARD MEETINGS
   a. Minutes of Regular Board Meeting on December 19, 2017

Mr. Gaffney asked if there were any changes or comments on those Board minutes. None were offered.

Mr. Jones moved to approve the minutes as presented. Dr. Palmer seconded the motion, which passed unanimously (7-0).

3. RECOGNITION

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Mr. Gaffney asked Mr. Mawyer if there were any recognitions, and Mr. Mawyer stated that there were none.

4. EXECUTIVE DIRECTOR’S REPORT

Mr. Mawyer opened by stating that he was pleased to report that the water supply at Sugar Hollow continued to overflow, as well as a total of four reservoirs overflowing with the exception of Ragged Mountain. He reported that when Sugar Hollow was overflowing or less than 19 feet down during the winter, RWSC was filling Ragged Mountain. He stated that Ragged Mountain was currently at 88% full, and 10% would be 150 million gallons, with 3 million gallons per day net – so two more months would be needed to get Ragged Mountain full.

Mr. Mawyer stated that he felt the reservoirs were in very good shape, and RWSC had been filling Ragged Mountain since January 22. He stated the localities to the east were not in quite as good a shape as RWSC, and the Louisa County Water Authority still had mandatory water restrictions in effect and had been in effect since October 2017. He stated that they got their water from a reservoir and groundwater wells, and those levels were still low. Mr. Mawyer referenced a news report about Capetown, South Africa and the water rationing that they were having to do for their city of four million people. He stated that they had been enduring a three-year drought, which was leading to discussions of desalination and other programs to address that issue.

Ms. Galvin added that the Capetown situation was a serious situation of inequity because the very wealthy people were getting access to drilling wells and were able to buy water, and the lower income population was left with not even a general water supply source. She expressed gratitude for our local system and stated it was a fundamental function of local government.

Mr. Gaffney added that four or five years ago, Capetown had been lauded for having such an exemplary water supply system, which showed how quickly a three-year drought could turn things around.

Mr. Mawyer reported that as a result of the water restrictions from the fall RWSC planned meet with DEQ to review the permit requirements and the release requirements. He stated RWSC was trying to get that scheduled for March in Richmond and, in addition to permit and release requirements, would also include a discussion about the drinking water infrastructure plan for Crozet and the findings RWSC had so far in draft about whether Beaver Creek Reservoir was sufficient to meet the growing needs of the Crozet community. Mr. Mawyer stated that he hoped to have more information on the issue to report to the Board in March or April.

Mr. Mawyer added one other data point on the weather and directed members to a graph that showed January 22 data for the middle James River area, in the center of the state. He indicated that the graph showed precipitation on the top left of the graph and stream flow on the bottom right both being in the red/emergency category. He stated the new state monitoring report for February 25 showed precipitation at normal levels, reservoir levels at normal, groundwater levels still in “warning” stage, and stream flows in the “watch” stage. Mr. Mawyer noted that the recent
rains had yielded improvements, but the entire center of the state was in a moderate drought condition.

Mr. Gaffney noted that the groundwater had gotten worse and suggested that it may not have made its way down yet.

Mr. Mawyer stated that the intern program had been successful last summer and Rivanna was recruiting for three more intern positions for help this upcoming summer. He reported that RWSA was able to hire Austin Marrs as a permanent employee, and in May he would assume the position of engineer in the capital projects group. Mr. Mawyer noted that Mr. Marrs would be following in the footsteps of Bethany Houchens, who was hired several years ago after completing the internship program.

Mr. Marrs thanked the group for the opportunity to serve.

Mr. Mawyer discussed community outreach publicity via the Crozet Gazette and C’ville publications regarding the water supply plan and infrastructure projects, and noted their interviews with members of RWSA. He stated that he felt the articles were very well written and stated that RWSA’s water manager, Mr. Tim Castillo, had provided a demonstration with a third-grade class St. Anne’s Belfield School; and the water resources manager had spoken to a class at Monticello High School about the Ragged Mountain reservoir and the community water supply. He indicated that Mr. Tungate had done a tour of the Observatory Water Treatment plant for a class from UVA.

Mr. Mawyer reported that Rivanna had given a tour for Nikayah Walker, Mayor of Charlottesville; and Heather Hill, Vice-Mayor of Charlottesville. He stated the tour was a driving tour of the Observatory Treatment Plant, Ragged Mountain Reservoir, South Rivanna Reservoir, and the Rivanna Treatment Plant, as well as Moores Creek. Mr. Mawyer stated he appreciated the opportunity to discuss the facilities with them and give them a real-life perspective on the location and magnitude of those facilities.

Mr. Mawyer reported that the granular-activated carbon system had gone into operation the previous Monday in Scottsville. He stated RWSA expected to bring the Crozet plant and the North Rivanna plant online by March, with the Observatory Treatment Plant and Rivanna to follow in April or early May. He stated RWSA hoped to have all systems online for the celebration of National Drinking Water Week, observed May 7 through 11. He added that RWSA was planning to have three celebrations at Rivanna, Scottsville, and Crozet, respectively, but probably not on the same day. Mr. Mawyer indicated that the following week was National Infrastructure Week, observed May 14 through 18, and a celebration was planned for the completion of the odor control facilities at Moores Creek. He continued that RWSA was trying to follow the national lead regarding these programs and hoped for it to coincide with RWSA’s project completions.

Mr. Gaffney asked for clarification as to where the celebrations would be held.
Mr. Mawyer indicated that a final decision had not been made, but Riverview was the likely choice.

Mr. Gaffney suggested a big picnic for the community.

Ms. Galvin added that since the odor control project had been in progress for seven years, there were many residents in Woolen Mills, Belmont, Carlton, and Pantops that were unaware of how serious a problem it had been. She suggested that Rivanna do some information outreach to inform them of what an accomplishment it had been.

Mr. Mawyer agreed with that suggestion and added that when Rivanna did the tour with the Mayor, she did get a close-up view – and smell – of the facility, and explained that it was considerably better than it used to be.

Mr. Mawyer stated that Rivanna would be introducing the water/wastewater CIP at today’s meeting, and stated that in March staff would propose the operating budget for water and sewer, as well as providing a master staffing plan to cover a six-year period for staffing needs, along with the operating budget that would include next year’s staffing needs as well as the next five-year period. He added that he was hopeful the board would authorize staff to advertise the operating budget and stated in April, staff would be back in front of both Rivanna boards regarding the first-year strategic plan projects and what those priorities would be. He stated he was looking forward to the Board’s input on those priorities, and in April staff hoped to have DiNatale back to provide information on part two of the reservoir management report regarding how to take care of the reservoirs.

Mr. Mawyer reported that in May, he was hopeful that the CIP and operating budgets would be adopted for both the RWSA and RSWA.

Mr. Gaffney asked if there were any further questions for Mr. Mawyer. There were none.

5. ITEMS FROM THE PUBLIC

Mr. John Martin from Free Union addressed the board and stated that the water supply planning process had very active and involved citizen participation. He pointed out that the process had gone on for years and was very difficult for citizens and was very painful for citizens along the way. He stated that the end result, when the water supply plan was adopted, was that some people were happy with it and others were not – but the important thing was that citizens working together yielded an outcome of what was possibly the most thoroughly vetted water supply plan in the history of the state. Mr. Martin commented that it was a system that worked and stated that a few months ago, Mr. Mawyer had introduced various alternative schedules for completion of the Ragged Mountain pipeline as part of the water supply plan. Mr. Martin requested that as the decision-making process advanced, a written report be published with a recommendation of the decision with detailed rationale for the decision, so the public could read it and determine for themselves whether it posed any detriment to the public and public interest. He stated that given the amount of citizen involvement in the water supply planning process, he did not think that such a request was unreasonable. Mr. Martin also requested that following the
publishing of the report, a public hearing be scheduled and held so all citizens could come in
after reviewing the plan and offer comments. He stated that he also felt that process would be
beneficial to the DEQ and the State Water Control Board.

Mr. Gaffney thanked Mr. Martin for his comments.

6. RESPONSES TO PUBLIC COMMENTS

There were no responses to public comments.

Dr. Palmer noted that they should consider Mr. Martin’s suggestions at a later date.

7. CONSENT AGENDA

a. Staff Report on Finance

b. Staff Report on Ongoing Projects

c. Staff Report on Operations

d. Recommendation for Approval of Purchasing Manual Update

Dr. Palmer moved to approve the consent agenda. Mr. Jones seconded the motion, which
passed unanimously (7-0).

8. OTHER BUSINESS

a. Presentation to the RWSA / RSWA on the Compensation & Classification Study

Recommendations: Director of Finance & Administration, Lonnie Wood and
Consultant David Bollenback with Evergreen Solutions

Members of the RSWA joined the meeting for this presentation.

Mr. Wood reported that the previous summer, staff initiated a compensation study that included
reviewing job titles, classifications and job descriptions which had not been done for about ten
years. He stated it was also initiated to conduct a market survey analysis which was in the
process of going out to the market and getting information on compensation levels,
compensation ranges, and pay grades. Mr. Wood stated that the last time an adjustment had been
done to the pay raise system was in 2015, and the personnel policy required this to be reviewed
every three years. He noted that it was also in line with the strategic plan, and even though the
strategic plan was initiated at the same time, one of the conclusions in the plan that was adopted
by the RWSA and RWSA in late 2017 was to conduct a comprehensive compensation and
staffing study. He stated he expected the staffing study to come when the budget was introduced
next month. Mr. Wood indicated that the consultant that was hired to help with the survey,
Evergreen Solutions, would give a brief presentation on how the study would be conducted.
Mr. David Bollenback of Evergreen Solutions stated that he would discuss some of the findings from the study process and some of the recommendations that were before the boards. He reported that one of the primary pieces of the process was data collection and stated they had to gather information from HR and Finance, as well as collect data from employees. He stated they used a Job Assessment Tool (JAT) process that was sent out to all employees asking them to complete what was essentially as summary of their position, which allowed Evergreen to make sure they understood each position and the various functions that they were in charge of, as well as being able to determine the relative compensation levels of those positions.

Mr. Bollenback stated that there were also some outreach and orientation sessions wherein they interviewed and discussed with employees what they liked or didn’t like with issues that they were experiencing with the scope of the study, and introduced them in the orientation sessions to their study as well as to the JAT process.

Mr. Bollenback reported that Evergreen had also done an analysis of the current conditions, which assessed the nature of the pay scales as to whether they were close enough to each other in terms of the various grades, as well as being far enough apart, and other various best practice pieces that were investigated as they related to those scales. He stated that they also conducted a market survey, which was a big piece everyone was interested in hearing about, and he would talk about those results, as well as recommendations.

Mr. Bollenback explained that the study was launched in June 2017, followed by orientation focus groups onsite as well as with employees asked to attend focus groups, in July 2017. He stated there were 11 focus groups with 55 employees – so just over half of the employees participated in the focus groups. He also stated that the JAT process ran from July 21 to August 15. He stated that the JAT participation rate was 83.5% out of a total 91+ employees who were asked to participate, which was considered a very strong completion rate as 70% was the desired rate.

Mr. O’Connell asked if the JAT was like a job description.

Mr. Bollenback confirmed that and stated that the JAT was introduced by having employees literally write their own job description, but it was asked to be done from the employee’s individual perspective – so that if employees share a job title, it would be Evergreen’s expectation that those JATs would look slightly different. He added that in some cases if there was a classification issue, they would look very different. He noted that those differences and similarities were what Evergreen was trying to see in the JAT process, and then use that information to determine the compensation composition.

Mr. Bollenback stated that he wanted to present several notes on what employees shared when they came onsite. He stated that many of them stated that they appreciated the stability that working for the Authorities provided them. He also noted that there were some mid to upper-level compensation compression issues (i.e., people’s opinions that salaries were too close to one another based on certain variables such as experience, tenure, performance, etc.). He reported that whatever metric they were using, employees stated they still felt that salaries were not differentiated from one another in a manner they felt was appropriate. He stated that Evergreen
heard many different reasons for that compression, but stated those were fairly common
complaints and that was one of the things Evergreen was looking to address. Mr. Bollenback
stated that some employees felt their job descriptions were not accurate due to job duties having
evolved over the years, and that Evergreen was asked to review those job descriptions, which
they were still in the process of finalizing.

Mr. Bollenback indicated that there was a single salary schedule, which was sometimes
presented separately, with solid waste in one schedule and water and wastewater in another one,
but overall, they were shared dollar figures and nomenclature. He reported that there were 56
unique classifications, so different job titles slot into that plan, with 99 budgeted positions – but
he clarified that their numbers were not 99 because they were dealing with the actual employees
present at the time of the study initiation, so those numbers did not match perfectly all the time
with budgeted positions.

Mr. Bollenback reported that the current range structure was very solid. He reported that
generally you would expect to see a range spread of 50 to 70 %, and stated that the range spread
was essentially the percentage increase from the minimum to the maximum of a pay range. He
stated that it represented the lower to upper limit of compensation, and how much compensation
could grow as an employee throughout the time of employment. He reported that the Rivanna
Authorities were sitting right at 66%, which was considered excellent. He also directed the
boards’ attention to grade progression, which was the percentage increase from one grade to the
next, and stated it was fairly consistent for the Rivanna Authorities at about 5%, which was
within best practice limits. Mr. Bollenback noted that this was relevant because there was a grade
structure that they then had to slot classifications onto, so having those pay ranges relatively
close to one another allowed them to slot them as close to market as possible. He added that
being 5% apart from one another would allow them to slot them closer to their target value than
if they were 10% apart from one another. He indicated that this was good news, and Evergreen
had sought to build on the strengths that were identified during the Analysis of Current
Conditions (AOCC) process, while also bringing up the ranges and some individual positions to
market.

Mr. Bollenback reported on the market survey and stated they had benchmarked 63
classifications, with some speculative ones that were also included for data purposes. He
reported that they went to 26 market peers, including cities, counties, school systems, and other
utilities – casting a wide net to try to get a feel for the labor market that the Rivanna Authorities
compete in. Mr. Bollenback stated that overall 607 market matches were made, which was fairly
strong for a study of this size and was just under 10 responses per position. He stated that the
findings showed that overall, positions were on average 5% below market at minimum, 6.3%
below at midpoint, and about 7.4% at maximum. He reported that this was an average of market
responses using published pay ranges compared to Rivanna’s published pay ranges, and these
were not representative of employees’ actual salaries but were structural comparisons. Mr.
Bollenback also stated that when they referred to 5% below market on average they meant on
average, and there were several positions that were compensated in terms of the pay range above
the market average and several that were below that 5%.
Mr. O’Connell asked if the survey included any local employers besides another utility, such as contractors or UVA.

Mr. Bollenback responded that they had a private sector component but could not compel private organizations to provide them with that data, so they utilized a service from the Economic Research Institute that provided localized private sector salaries and ranges based on experience and time with organization to really mirror that using private sector data. He stated they did not have a direct response from a specific entity but did have an aggregated response from the private sector.

Mr. Henry asked if this was a consistent peer group as the last evaluation from three years ago.

Mr. Bollenback presented the list of comparative entities and stated that there were 26 organizations surveyed.

Mr. Wood confirmed that this was very similar to the previous survey and stated that they took what they could find with the city and county markets, so they were consistent with what the localities did.

Mr. Bollenback addressed the cost of living index and stated that there was a service called coli.org, an entity that provides regional cost of living indexes, and their metric 100 is the national average cost of living – whereas anything over 100 is above average and below 100 is below average. He stated that there was list of county-level cost of living index results and stated they used that information to essentially inflate or deflate peer responses. Mr. Bollenback used an example by comparing Rivanna at 106.4 and an organization that was below that, and stated that the actual dollar figure that came from them would have been inflated slightly by an equivalent percentage to make sure they were comparing apples to apples as closely as possible. He referred to the City of Lynchburg, which was just below 100, and stated that to try and compare that with Rivanna’s salaries would lead to some inequities by the nature of the cost of living in that area. He noted that those were county-level cost of living indexes.

Mr. O’Connell asked if Western Virginia on Mr. Bollenback’s slide was Roanoke, and whether their cost of living was higher that Albemarle’s.

Mr. Wood confirmed this.

Mr. Bollenback asked if there were any further questions before moving on.

Mr. Henry asked what the asterisk on the slide represented.

Mr. Bollenback explained that the asterisked entities represented organizations – the South Central Wastewater Authority and Appomattox County Water – and the asterisks indicated that the administration of the water plans was shared.

Mr. Bollenback then referred to Evergreen’s recommendations. He stated that the first recommendation was to adopt their revised unified grade structure and the revised class list. He
added that the revised class list included some job title changes, as well as a few grade placement changes.

Mr. Bollenback stated that the grade structure being recommended started with Rivanna’s current grade structure and represented a 4% increase from the current structure, but that was not the sole summary to be taken from the survey. He reported that not only were the grades themselves adjusted by 4%, but there was a more detailed class list in the report that would detail where Evergreen recommends each position should be placed. He stated that some of those were in higher grade placements than they were currently, so even though there was only a 4% adjustment shown on the scales, for individual positions that adjustment may be greater.

Mr. Bollenback stated that the second recommendation was to utilize the JAT and Point Factor System process to revise or establish pay grades going forward for positions. He stated that Evergreen has used that structure and methodology to compare each position to determine the appropriate pay level for the position, and it would be Evergreen’s recommendation that Rivanna continue using that methodology going forward as needed. He added that he had been working with Ms. Nemeth as to how that would be done, and Evergreen would be available to ensure that the adoption of that practice was smooth and expressed hope that Rivanna would continue to use that.

Mr. Bollenback stated that the final recommendation would be that Rivanna conduct a comprehensive compensation and classification study every three to five years – with three being the most ideal and five being the absolute outside limit. He noted that the reason for that was that market trends sometimes move very quickly, and it was important to stay aware of what was happening. He cited an example as being an increase for certain operators where their compensation went up regionally, but this didn’t necessarily affect every other position and it might not be immediately seen but could have some long-term ramifications if not addressed. Mr. Bollenback stressed the importance of staying on top of the market every few years, and he asked for any comments or questions.

Dr. Palmer asked that if everything was adjusted 4% up, how the three indicators that were given as 5% below the market average minimum would be changed.

Mr. Bollenback replied that he did not have the exact figures but stated that the figure would be closer to zero. He stated that as mentioned earlier, he was hesitant to give updated figures because really they were looking at jobs. He clarified that when they actually slotted those positions in the pay structure, they looked at it at the individual job level to make sure that the actual job was closer to market, so he felt they were closer to the zero mark. He reiterated that he did not have the exact figure at present but could provide it to them.

Mr. O’Connell stated that the ultimate goal was for the pay structure to reflect the market Evergreen surveyed for that particular job where it was slotted.

Mr. Bollenback confirmed this and stated that when they looked at an individual job, they would hope that the job would be even closer to market, if not actually at market.
Ms. Galvin inquired as to the impact to the operating budget and expenditures.

Mr. Wood stated it would have no effect as it was for next year. He stated that it would not have any effect at all, as no one would receive a pay raise explicitly because of the study. He noted that what the study found was that Rivanna’s pay grade for the incumbent employee was actually a little bit above market and a little bit above the current pay grade system, so shifting the grade was all that was happening. He stated that people stayed where they were but would receive better position within the grade that they were currently in now, with more room to grow. He stated that the only budget impact would be when discussions were held for the budget and the recommended merit increases. Mr. Wood stated that there were a few positions that were significantly below the market, and stated those were usually the newer positions. He stated those would be addressed administratively internally, and he stated that if you pulled those data points out of the market analysis, those 5 to 6 to 7% above or below market that Mr. Bollenback mentioned would decrease a little bit. He stated that it was a combination of the 4% increase and then dealing with some of the larger outliers within the market survey itself.

Mr. O’Connell added that from the employee perspective, it would create more growth and make them better able to compete in the market place.

Mr. Wood agreed and stated that it would allow for keeping the market as a range in line with what the outside world was doing, so they could better compete within that market.

Mr. Henry asked Mr. Wood to clarify the second recommendation in regard to utilizing Evergreen’s JAT tool and point factor system to revise and establish pay grades. He also asked if that looked at the individual job assignment and whether it might involve a reclassification of that position.

Mr. Wood confirmed that and stated that when there is turnover in a position it creates an opportunity to look at that position in terms of what it is doing, what you want it to do, and if it was fitting the skill set for the person in that position. He added that if during the budget process you are asking for a new position, it helped HR to determine where to slot that within the rest of the pay grade structure and classification. He noted that it was good for new positions, as well as to review any open ones they might have an opportunity to fill.

Mr. Henry asked whether it could result in a reclassification.

Mr. Wood confirmed that it could if there was a good enough reason for it. He stated that if all of their operators were terribly graded, for example, they would do a JAT on all four of the different positions, and it could be done administratively at any time.

Mr. O’Connell stated that through the study, everybody participated as to where they were put in the appropriate position – so it should be corrected.

Mr. Wood confirmed that and added that one of the things that would come out of this would that was that there would be brand new job descriptions, which was based on a lot of the JAT input that came during the employee meetings. He also wanted to note that the supervisors had a
chance to review what the employees stated but did not approve, negate, or override it – but they
did have a chance to comment on what the employee feedback was.

Mr. Richardson asked if he had addressed the fact that the grades were moving but people would
stay where they currently were, and asked about an employee who had been with the
organization less than two years who may be near the entry level.

Mr. Wood stated that had been considered and no one was “hitting the floor.”

Mr. Richardson asked about the compensation compression because there were some
compression concerns. He asked about someone who might be close to the minimum who had
been there a couple of years – because if they moved the grades and not the person, they might
be hiring someone in the future at the same rate as someone who had been there just a year or
two.

Mr. Wood stated that those would be addressed administratively if they thought they were way
off base on their tenure and skill set and where they fall in there.

Mr. Richardson asked if that would be handled on a case by case basis and that would be looked
at.

Mr. Wood confirmed that a lot of times it would be handled that way.

Mr. Mawyer stated that they would have a merit discussion next month that would be considered
within the operating budgets, so employees that might just be starting this week would not be
eligible for a merit – but if they started a year ago, they would get a merit with the new scale to
create some space. He added that if they hired someone in August, the new employee would not
be on step one with the existing employee.

Mr. Richardson stated that he was not concerned about someone that had been there 10 to 20
years, as there were lots of reasons over a period of decades where people separate out in terms
of pay and such – but when there was an employee hired within the last 24 months, that learning
curve is very steep. He stated that if that person was near or at the minimum and someone else
was brought in, there was a lot of difference between a brand new employee and a two-year
employee in terms of what they have learned. He asked if there would be a mechanism in place
where that could be addressed and still keep what was an appropriate amount of spacing between
someone brand new versus someone who had been there 18 to 24 months.

Mr. Mawyer stated that was correct.

Mr. Wood stated that the Authorities historically for the past 15 to 18 years had always done pay
increases based upon a merit system, and had never been a 1% cost of living adjustment plus
merit – so the system rewards the high performers. He commented that if an employee was at the
bottom, there was usually a reason that they were at the bottom or have stayed down towards the
bottom, instead of getting shifted up automatically.
Mr. O’Connell stated that one of the positions that he had heard they were having trouble hiring were water plant operators, and wondered if this approach would help with that and if that was still an issue.

Mr. Wood responded that he did not feel that they were having a hard time finding people that were interested in working for Rivanna in a water operator job, but stated they were having a hard time finding people that had an Operator Class 1 License. Internally, he stated they knew they needed to grow those employees and to hire employees that were capable of moving up that chain and taking tests, as this was a test-driven license. He stated that some people just didn’t test well, so Rivanna had to help them with that. Mr. Wood stated that after recently talking to the water manager, he stated that he was now in a place where he could start moving people that had been there one or two years into those 1 and 2 operator slots. He added that the way they have tried to address that is to grow them from inside.

Ms. Galvin asked if they had vocation programs at the community college or some place where people can actually get those credentials.

Ms. Nemeth stated that they used a Sacramento State program online.

Mr. Wood added that there were also some state programs at Virginia Tech.

Mr. Mawyer stated that Mountain Empire College also offers online classes.

Mr. Castillo noted that there were some programs offered in person within the state, but they were very hard to keep going because there usually were not enough students for water/waste water to keep those kind of training programs.

Mr. Wood stated that the recommendation for this meeting was to adopt the proposed pay grade structure that was noted in the presentation, with a copy with the comparison of the current pay grade structure in the cover memo. He stated it would be helpful to adopt the cover memo and second schedule, which was where people would be placed in the new pay grade structure based on the recommendations as a result of the market study.

Dr. Palmer asked if they were going to deal with the other recommendation from Evergreen regarding the JAT.

Mr. Wood responded that he felt that could be dealt with administratively and if they wanted to use it and found it beneficial they could keep using it — and if not, they would stop using it.

Mr. Wood stated that this was helpful for the employees to step out of what they were doing and assess what they were doing. He noted that several other things in the study that were not addressed that could be done administratively were a couple of recommendations to shift some positions from non-exempt to exempt, as well as several title shifts. He stated that some of their assistant managers were not graded equally, so they have redone some of them to bring them closer in line with each other as they were all doing the same thing as far as management skills.
Mr. Gaffney asked how all of this could be tied into the strategic plan and how what was just done has helped to get to this point.

Mr. Mawyer explained that workforce development was key to the strategic plan in making sure that they have a qualified professional, highly skilled, dedicated, and versatile team. He added that they needed to maintain competitive pay to do that, so they needed their scales to be competitive as well as their actual salaries. He reported that Mr. Wood and the study both indicated their scales were less than competitive so they were recommending increasing it. He stated that their actual salaries were very competitive with the market and were slightly above the market. Mr. Mawyer stated that they would still recommend a pay increase in March but were looking at both things, so this supported workforce development in the strategic plan.

Mr. Richardson asked about an exemption status with hourly versus annual wage earners, and asked if they had made recommendations pointing in both direction and what they were able to find.

Mr. Bollenback responded that they found there were several positions that were listed as non-exempt that could qualify as exempt status. He clarified that they were not labor attorneys and that this was just their understanding of what was presented to them by employees, and he stated it certainly needed to be reviewed. He stated that some positions that went from non-exempt to exempt and there were positions that went from hourly to annual, not from annual to hourly.

Mr. Richardson responded that this was the side that opened up the liability, and asked whether Evergreen was comfortable in moving a position from hourly to annual wage status, and whether they were in good shape in that regard.

Mr. Mawyer stated that they were and would double check based on those comments. He stated they had assistant managers, some of whom were non-exempt – meaning they got paid overtime – while other assistant managers were not. He stated that those particularly were the ones they looked at from a consistency standpoint. He added that those should be exempt – meaning there was no requirement to pay them overtime.

Mr. O’Connell pointed out that the budget recommendation on pay would be around individual performance – also called merit – as an evaluation that determined whether there would be a pool of money.

Mr. Mawyer explained that next month they would bring the operating budget to the Board with a recommendation for a 3% merit pool. He explained that they would take 3% of the salary dollars that they had and put them in a pool. Mr. Mawyer stated every employee would go through the merit evaluation program and would get a score between 1 and 4 – with 4 being high performers and 1 being the minimum performers – and those 3% dollars would get allocated to employees based on their score. Mr. Mawyer stated that 3% would likely be the average increase, higher performers would get more than 3%, and lower performers would get less than a 3% increase. He added that this was what the Authorities had done for many years.

Mr. O’Connell asked if they needed a motion for approval.
Dr. Palmer asked if they needed two motions or one.

Mr. Krueger clarified that it would be better to have two motions, one for each Authority, and stated the motions could be paired as one motion for each Authority to recommend both the adoption of the pay salary grade scale for FY18-19, and the proposed job title placements.

Dr. Palmer moved for the RWASA to adopt the attached proposed pay grade scale for FY18-19 table one, and to approve the proposed job title placements as shown in the attached table two as recommended by the study. Mr. O'Connell seconded the motion, which passed unanimously (7-0).

The RWASA Board adopted its own motion and then adjourned its meeting.

b. Introduction of the FY 2019 – 2023 Capital Improvement Program: Executive Director, Bill Mawyer and Director of Engineering and Maintenance, Jennifer Whitaker

Mr. Mawyer stated that he wanted to give some general comments about the CIP for FY19-23, and then Jennifer Whitaker would provide details.

Mr. Mawyer reported that they had a proposed CIP with new projects, and previously approved projects that were all in the CIP. He stated that the amounts totaled $152.7 million, slightly higher than it was in the last five-year CIP at $135.9 million. Mr. Mawyer stated that the $152.7 million actually represented $97.3 million in expenditures, because the the $152.7 million included the total project budgets for previously approved projects that would have expenditures in FY19-23. He noted that an example might be GAC, as even though it was substantially finished, Rivanna was not ready to take it off the books because there were a few things they would be doing in July that would have associated costs, so Mr. Wood would keep the entire $25 million in the CIP. He noted that they were not truly dollars that would be spent in 2019 – 2013, and that most of the funds had already been spent in the past.

Mr. Mawyer stated that $32.1 million would be added as additional funds for previously approved projects that were in prior CIP’s that now needed adjustments. He stated that some or most were added to the budget and a few were credits, resulting in the total adjustment of $32.1 million.

Mr. Mawyer reported that thirdly, they were adding $23.3 million in funds for new projects, and that was the way they totaled the CIP. He noted that in general there was about $100 million in new expenditures in the five-year CIP, and stated that $50 million had already been approved and budgeted.

Mr. Mawyer indicated that major objectives in the CIP were to increase the drinking water treatment capacity at Observatory and Crozet treatment plants, to renew their largest water treatment plant at South Rivanna, to improve the water supply redundancy/reliability in accordance with the community water supply plan by continuing to work on the right of way
procurement for the pipeline from South Rivanna to Ragged Mountain, and to replace the piping and pumping that convey raw water from Ragged Mountain to Observatory Treatment Plant. He also stated that there was a major project at Beaver Creek, which was driven by regulatory compliance.

Mr. Mawyer directed the Board to a graph from the previous month, with the lime green color indicating current debt service profile that they were paying about $12 million per year in debt service on the current 2019-2023 CIP. He stated that to finance the 2019-2023 CIP, they would have to add on the dark green bars on the graph, which would increase the debt service to $15.7 million for FY 2019. He stated it added about $96 million in debt to the current debt load of $160 million. Mr. Mawyer noted that of the approximately $100 million they were adding in new expenditures for the next five years, 93% was debt financed and 7% was cash financed. He added that the dark green bars at the top of the graph add the $96 million to the current debt service payments. Mr. Mawyer stated that their revenues came from the City of Charlottesville and the Albemarle County Service Authority, and he referenced the rates that were projected for those two customers, including the operating budget, and the total rate increases projected for the next 5 years.

Ms. Galvin asked if they could be presented also in dollar amounts in terms of what it meant for the rate payer.

Mr. Mawyer stated that Ms. Hildebrand and Mr. O'Connell had to translate the rate increases to the customers, as their rate changes would be different than those proposed by Rivanna.

Ms. Galvin stated that the public looks at the percentages and think “Oh, that’s terrible,” but then they find out it really is a small amount.

Dr. Palmer stated that it was good for them to know the sense of the wholesale rate too.

Mr. Mawyer confirmed that and stated that staff would have that information in their budget for March, which would show the wholesale rate per thousand gallons.

Mr. O’Connell stated that they wouldn’t have the ACSA retail rate until April, but he could assure them that it would not be 10.2%.

Mr. Mawyer concluded his remarks and introduced Ms. Whitaker.

Ms. Jennifer Whitaker stated that there were several things in the board packets regarding the CIP, and she would highlight a few projects were the most notable or had seen the most change. She added that there were a tremendous number of projects and information contained within the book itself, and she would be happy to answer any detailed questions on any individual projects. Ms. Whitaker reported that the introduction did go through a discussion of projects that have been completed in the past year, projects where funding had been added, and also projects where the funding had changed or they added new projects. She stated they were trying to present the data in about three or four different ways so that depending on what the priorities were, that information could be looked up. Ms. Whitaker stated that the body of the document was divided

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basically along the lines of which system the work was happening in, and stated there were four
or five tables in the back of the book that “sliced and diced” the rates in a variety of different
ways.

Ms. Whitaker stated that part of the discussion this year was that there were a lot of new projects
in the CIP, and some of those projects were projects that had been lingering in concept for a long
period of time, and some of them were being brought forward now to really try to improve the
system. She stated that the first project was Ragged Mountain Reservoir to Observatory
Treatment Plant raw water line and pump station, which was fundamental to how the urban water
system operated on the raw water side. She stated that this project was part of the raw water
supply plan, and the intent was to replace the two 18-inch cast iron mains that go from Ragged
Mountain to the Observatory plant. Ms. Whitaker noted that one of those mains was over 110
years old and the other was about 70 years old. She stated this would also allow them to deliver a
reliable, solid, 10 mgd of raw water to Observatory so that when Observatory is upgraded they
can deliver, receive, and treat the water. She stated that part of their concern when they started
talking about upgrading Observatory to 10 mgd was that they could build a plant to treat 10 mgd
and could get 10 mgd into the system, but were not certain on the raw water side whether they
could consistently and reliably get that to the plant. Ms. Whitaker stated that there were
questions about that, which was why over the course of their discussion in the last few months,
that was moved up the priority list. She stated that they wanted to upgrade the raw water pump
stations with a single new raw water pump station that also had the capability of serving as the
south end of the Ragged Mountain Reservoir to South Fork Rivanna Reservoir pipeline pump
station. She stated that when they did the original 2010 Wiley-Wilson report, there was a
discussion about how to optimize the needs to pump east/west with the needs to pump
north/south, and that pump station would be able to serve both of those purposes at a single site.

Mr. Gaffney asked for clarification of the capacity.

Ms. Whitaker confirmed that it could pump 25 million gallons per day from SRR to RMR, 10
mgd to Observatory and 16 mgd back to the north, so they could return the full capacity of South
Fork back to the South Fork plant to utilize that full capacity.

Ms. Whitaker stated that the pipeline would take 25 million gallons per day to the south and 16
back north.

Ms. Whitaker referred to several pictures of the current state of infrastructure on the raw water
system. She stated that the Royal Pump Station was built in 1920, and she stated the inside
looked a little better than the outside. She did say that it was the original pump, and some of the
valves and equipment in the building was also original. Ms. Whitaker stated that the Stadium
Road Pump Station was a newer pump station and had replaced an older piece of infrastructure
that was in that location in 1987 and stated it would require some substantial upgrades in order to
operate that system in the future.

Ms. Whitaker referenced pictures showing the lower Sugar Hollow raw water main and the
Ragged Mountain raw water main. She stated that the issue was that the main itself was in fairly
decent shape, but that the big issue was that when the pipe was installed, it was installed until it
hit rock, so that the pipe was laid on top of the ground in some places. She stated that when they
hit soft soils, they dug three feet deep, and the pipe went in underground fully protected – then
hit rock at a stream crossing and it got laid right across the stream at grade. Ms. Whitaker
commented that when streams and creeks move, the pipe was susceptible to coming apart. She
stated that when there were two mains that operate in parallel and two pump stations that operate
in parallel, they are redundant to each other as long as Observatory is at 2 mgd of production.
She stated that they were now designing Observatory to treat 10 mgd on any given day, reliably
and efficiently – and they then lose the redundancy of being able to afford to have one of those
pipelines go out of service, which happens about once a year. Ms. Whitaker added that under
their current scenario, they could switch production to the other side, make the repair, and switch
back. She noted that in the future they would not have that luxury and it would actually lead to a
reduced production on that side, which was why it was recommended to upgrade that particular
facility.

Ms. Whitaker directed members to view a diagram depicting how Ragged Mountain tied to
Observatory. She stated that the pipeline itself was about three miles of raw water pipeline, and
the full CIP amount would not be available in the budget because the budget was only for five
years. She stated that the project was expected to take longer than those five years and it was
about $14.5 million for the pipeline work and almost $5 million for the pump station work.

Dr. Palmer stated that she was confused about the term “lower” Sugar Hollow water main, and
asked Ms. Whitaker to clarify that term.

Ms. Whitaker explained that the Sugar Hollow Reservoir was a distance away and came down
through Ivy and traversed at Cherry Hill Farm and then came into the back of Ragged Mountain.
She stated that it used to go around the edge of Ragged Mountain and tie in, and they could take
water directly from Sugar Hollow into the treatment plant without ever going into the reservoir.
She added that when the Ragged Mountain Dam was built, they actually demolished the piece
that connected those two together, so there was now two pipelines at what was all called Sugar
Hollow – but now they tried to differentiate between upper Sugar Hollow, which was above
Ragged Mountain; and lower Sugar Hollow, which was the 18-inch pipe that comes from the
Ragged Mountain to the Observatory Treatment Plant. Ms. Whitaker stated it was to differentiate
between the two 18-inch mains that were along Reservoir Road.

Mr. O’Connell asked if the new project would be one single line from the Ragged Mountain
Reservoir to a new pump station location.

Ms. Whitaker affirmed that and stated one single line would be there, and stated there were a few
locations they were investigating – with the most likely candidate being near the marshaling site
when they built the Ragged Mountain Dam.

Dr. Palmer asked if there would be two pump stations.

Ms. Whitaker stated that on that pipeline, they would be replacing the two existing pump stations
with a single pump station.
Mr. Mawyer added that there would be two sets of pumps in the new pump station.

Ms. Whitaker pointed out the Stadium Road and Royal pump stations and stated they were on two separate pipelines, and stated the new one would basically replace those two with a single pipeline and a single pump station in that general vicinity.

Mr. O'Connell asked for confirmation that the backup would be inside the pump station with multiple pumps.

Ms. Whitaker confirmed that and stated they would be full service, with a quiet pack generator, and constructed to all modern standards, with much improved electrical systems compared to the 1920’s Royal Pump Station.

Dr. Palmer asked again to clarify that there were two select projects listed – Ragged Mountain Reservoir/Observatory Treatment Plant, with the second one being the one that would operate as the north/south and east/west.

Ms. Whitaker clarified that one pump station would be able to serve both directions, and another pump station would be up at South Fork at some future point.

Ms. Galvin asked if this represented existing conditions.

Ms. Whitaker stated that the map was for existing conditions, and they would be replacing those existing conditions.

Dr. Palmer asked her to point out where the select new projects were going to go on the existing conditions map.

Ms. Whitaker explained that the pipeline itself would go from Ragged Mountain Reservoir along the alignment to the Observatory Treatment Plant and would be a single pipeline. She clarified that they had two 18-inch pipelines there currently, and they would likely have a single 36-inch pipeline that would run the entire length. Ms. Whitaker stated that it would not be visible and would be completely subterranean. She stated they were also looking at a pump station site somewhere in the vicinity of the old marshaling site for the Ragged Mountain Dam construction, which was near Foxhaven Farm at the turn onto Reservoir Road from Fontaine Avenue.

Mr. O'Connell asked if the new long term pipeline from South Fork would come into that pump station and pump into Ragged Mountain.

Ms. Whitaker stated that was correct and stated to think of it as a “T”, stating that what they were talking about was where the two arms meet, that would be where the pump station would go. She stated the pipeline would be built east/west, and in the future when they brought the north/south pipeline in, it would tie in right at that pump station site – and with some valving and plumbing, they would be able to use that pump station site to serve all of the purposes that would be needed.
on the south end of the project. She added that it would save quite a bit of money to optimize
how that pump station operated.

Ms. Whitaker reported that the next series of projects were the South Rivanna River Crossing
and the North Rivanna Transmission Main. She stated that currently, they had a single 12-inch
crossing of the South Rivanna River that served everything north of the river. She stated with the
VDOT’s new Route 29 widening and Rio Road and Berkmar projects, Rivanna put a new 24-
incher main up the side of Route 29 in the multi-use path that went all the way up to Kohl’s. She
reported that this was basically completing the loop of that project by bringing in a 24-inch line
across the river and interconnecting the north and south pressure zones. Ms. Whitaker stated that
it would allow them to build off of that to create a future Airport Road zone. She stated they
currently had pressures in that north area that were almost 200 pounds per square inch of
operating pressure, which was a very high operating pressure. Ms. Whitaker stated they would be
able to reduce those operating pressures, which also reduces electrical cost as well as improving
general maintenance systems.

Ms. Whitaker explained that there were three key components. She stated that on the south end it
would give them a new 24-inch river crossing. She referred to the overall map and pointed to the
close-up depictions of each section. She stated that the pipeline from the South Fork water
treatment plant tied into a connection at Polo Grounds and Rio Mill, when the new pipeline was
built they built out across the road with a new 24’’ pipe and they would come in and tie into that
pipe. Ms. Whitaker stated that the second component was the existing 24-inch main that was just
built. She explained that the northern portion of that project was to connect behind Kohl’s and
stated there was a little piece of pipe that was built with the Berkmar project. She stated it then
would continue down Meeting Street and they would build a pump station near the cell tower
site, then tie the pipeline in to Airport Road. She stated that basically this allowed them to
connect the north and south zones and stated they would like to make the Kohl’s temporary
pump a permanent connection, so that with a flip of a switch they could deal with north/south
conductivity issues. Ms. Whitaker commented that eventually the northern part of Albemarle
County would grow to a point where they could not supply it with the North Fork treatment
plant, so this would allow for continued growth along Route 29 as well.

Mr. O’Connell asked if the northern point where the pump station was located would be where
the tank would go.

Ms. Whitaker stated that was correct and the first step would be to get that all tied in and the
pump station operational. She pointed to a picture of the Route 29 pump station site and pointed
to the cell tower site and the end of Meeting Street, which provided a redundant feed to the North
Rivanna zone and all of Route 29 North. Ms. Whitaker stated that it provided for future growth
in the Places 29 Master Plan area, which was one of the key components that the County was
looking for, and it also created the Airport Road pressure zone in the future, which allowed them
to deal with the extremely high operating pressures and drop those down. She added that there
was a site plan to show what that site would look like – with Meeting Street coming in from the
left, Airport Road being east/west, and eventually be two tanks on that site and a pump station to
be built.
Ms. Whitaker reported that the next project was a review and revamp of the administrative space for the RWSA. She stated that the engineering building was across the parking lot and was modular trailers, quickly approaching 15 years old and never really intended to be permanent space. She noted that the space was somewhat limited as they expanded capabilities within the Authority and was not good utilization of the space. Ms. Whitaker stated that currently, IT and laboratory space did not meet modern operating standards, and there was a need to upgrade those spaces. She stated they would like to improve their public meeting space and their ability to have educational and environmental outreach with a classroom-type environment where they can bring people to the facility and showcase some of the great work being done. Ms. Whitaker added that they wanted to have their space needs meet the requirements of the plant expansion, so as they looked to expand the plant at some future date, they can ensure that what they built and what they had for administrative space didn’t hamstring the plant from being able to expand.

Ms. Whitaker addressed mechanical thickeners, which she described as sludge thickening, and stated that there had been tremendous improvements made over the last 10 years that included how they treated nutrients and how they dealt with wet weather, but stated they still had some issues where they were trying to deal with their solids handling at the plant. She noted that there were several projects in the CIP that were geared toward enhancing that. Ms. Whitaker stated one of the projects they looked at with odor control was taking in-plant clarifiers out of service, and they did a tremendous amount of work around the rest of the plant and decided to take the in-plants out of service. She noted that most of the time they were able to do that; however, they have found that there were times where they just couldn’t, so the in-plants had to go back in service, which was the odor noticed as you turned the corner coming into the plant. She stated it didn’t generally travel really far off the plant site but it was a pretty noxious smell. Ms. Whitaker noted that other piece of that puzzle was that it hamstrung the operators, and their plan and need was to either revamp those in-plant clarifiers or come up with another way to deal with the solids thickening. She added that this project allowed them to do mechanical thickening so they could process the solids more efficiently as they put them through the centrifuge. She noted that it was a step they were hoping not to take because it was a cost avoidance measure, but at this point there was still a lot of question marks as to whether or not it was sustainable in the long run without it.

Ms. Whitaker addressed the next project of security enhancements at $2.5 million dollars in the CIP this year, and some of those recommendations came out of their vulnerability assessment done did in conjunction with the City and the Service Authority. She stated it allowed them to have access control across all of their facilities, which they felt was absolutely necessary. Ms. Whitaker noted that some of it was as simple as fences, barbed wire, lock sets and exterior doors versus interior doors, but stated that it also included cameras, lighting and surveillance. She added that the big dollar amount was access control for every facility – every hatch, door, and window – to make sure they knew who was going in and out.

Ms. Whitaker stated that the previously approved projects that had a fairly substantial increase in dollar value were the upgrades to the Observatory Water Treatment Plant, with $8-10 million designated the previous year and a current cost of $18.6 million, with the idea that they would go to 10 mgd production capacity and would make the improvements necessary to do that. She noted that when they went from 7 to 10 mgd, it was likely that they would need a finished water
pump station – so that was a big part of this. She added that currently the system was beautifully
designed, but it all flowed by gravity down into town, and when they would attempt to push
more water into the system from town, they needed to include a pump station.

Ms. Whitaker stated that regarding the Avon to Pantops water main, the budget had always been
$13 million but slid another year on to the plan, so therefore the funding started to show up more
significantly.

Ms. Whitaker addressed the South Rivanna Water Treatment Plan improvements and stated
those have increased a little bit as they continued to assess issues at the facility, so that had
increased costs a little bit.

Mr. O’Connell asked for clarifications as to what kinds of things would be done.

Ms. Whitaker confirmed that there was no capacity upgrade planned and stated that the South
Rivanna Treatment Plant had initially started by identifying five or six areas that needed non-
capacity related improvement. She noted that they had minimal alum storage and would like to
have two to three times that amount. She referred to underground facilities and stated that when
they had pipe breaks, it flooded and shorted the whole facility out. She noted that they had four
or five of these projects and their initial approach was to get those projects done. Ms. Whitaker
stated that as they looked at the facility, they questioned where there were electrical
shortcomings with the facility, and as they started to add another piece of electrical gear on top
of another piece of electrical gear, storage and air conditioning for the equipment became an
issue.

Mr. O’Connell suggested that it was more of a wholistic approach to addressing the problems.

Ms. Whitaker agreed.

Mr. Mawyer stated that they didn’t want to spend $5 million for a facility that still didn’t really
optimize what they were trying to do, so staff was encouraged to identify the things they needed
to do for it to work effectively.

Dr. Palmer asked Ms. Whitaker where the Observatory Hill Treatment Plant pump was going to
be located.

Ms. Whitaker stated that it would be placed in the treatment plant project.

Ms. Whitaker addressed the Beaver Creek Dam alteration and stated that more of the funding
had come onto the CIP. She stated additionally they have included a new raw water pump station
and a hypolimnetic aeration, and those things would be discussed as the DWIP progresses and as
the DiNatale study came before the RWSA Board in April. She stated they would also be
discussing reservoir health and water quality, so they included some capital funding in the
Beaver Creek Dam project to address some of those concerns.

Dr. Palmer asked for clarification on what the DWIP was.
Ms. Whitaker stated it was the Drinking Water Infrastructure Plan for Crozet, so it was the water supply plan for Crozet.

Mr. O'Connell asked how much was being spent on the pump station there.

Ms. Whitaker stated that they had budgeted $2.5 million for the finished water project.

Mr. Krueger asked if the Avon to Pantops Water Main project was basically a completion of the Southern Loop.

Ms. Whitaker stated that was correct, and it was the same concept but a different route.

Ms. Whitaker stated that the last item to be addressed was the Crozet Water Treatment Plant expansion. She stated they had placed some study money in the previous budget and now the actual water treatment plant expansion was now on the budget. She added that she also had a lot of tables and stated Mr. Wood was prepared to speak to them if there were questions about some of the budgeting, rates, etc.

Mr. Mawyer stated that in January they had discussed the Community Water Supply Plan but did not have any of the piping project for South Rivanna Reservoir to Ragged Mountain Reservoir in the five-year CIP. He stated those dollars were in a placeholder for 2027 to 2035 in the long-range financial model. He stated that this represented what they thought was needed to keep the facilities going, expand capacity, and provide reliability.

Mr. Gaffney asked if the pipeline had easements included.

Mr. Mawyer responded that it was in the five-year 2019 – 2023 CIP.

Mr. O'Connell stated if the pump station was also included.

Mr. Mawyer confirmed that it was, along with the water line replacement.

Mr. Gaffney asked how this tied into the strategic plan.

Mr. Mawyer responded that this was about infrastructure planning, as well as building reliability into their system and maintaining it. He stated that a preview of the CIP budget had been completed with Mr. O'Connell and Ms. Hildebrand a week or two earlier, and they went through all the projects as a draft board committee.

Mr. O'Connell stated that he felt this was really thoughtful as it was a lot of money, and stated it also went back to 2006, with the original water supply plan having a lot of these projects in it. He commented that for whatever reasons, they were not coming to the surface until now.

Mr. Gaffney noted that they had to do the wastewater projects first.
Mr. O'Connell agreed, adding that this put all of the pieces together and in place.

Ms. Galvin asked what the total asset value would be when this was done.

Mr. Mawyer stated that the assets were at $300 million currently.

9. OTHER ITEMS FROM BOARD/STAFF NOT ON AGENDA

Mr. O'Connell stated that because of the way their meetings fell, he was able to brief the Albemarle County Service Authority Board at their January meeting based on the conversation and discussion that the Rivanna Board had, particularly around the timeline for the RMR-SFRR pipeline, but also the overall water supply plan and all the different projects that were part of that. He stated that at their February meeting a week earlier, their board had reached a conclusion that they wanted him to share the information with the RSWA Board. He stated it was in the form of a motion that was basically trying to look at the projects that they had been talking about, plus looking at the pipeline. Mr. O'Connell stated that with regard to the timing for the pipeline, they were concurring with the recommendation to focus on Schedule B – which would be the time frame of 2027 to 2035. Mr. O'Connell stated they saw that as the most favorable option and were suggesting removing option A, which the RWSA Board has actually done, and also option D. He stated that they also felt that the 12-foot fill level increase at the Ragged Mountain Reservoir should be in place upon completion of the pipeline. He stated they were trying to tie together all the different projects, and he was trying to get a better understanding from the ACSA Board's perspective as to what position they would want him to represent on the RWSA Board. Mr. O'Connell stated that the ACSA Board had asked ACSA staff to look at Schedule B. He noted that ACSA was doing a rate study currently that was a 10-year review of rates and capital projects, and ACSA was also working with Mr. Wood, the Rivanna staff, their staff, and the consultant who was also doing the City's and Rivanna's rate studies, to look at the impacts of the pipeline and how they could begin to plan today for that expense.

Dr. Palmer asked if they were planning to program their surplus into their rates.

Mr. O'Connell responded that they were looking at a way to fund the debt service for some of the Rivanna projects, including the pipeline, and they had it as just a model right now but felt it was their hope that they had a 10 or 12-year plan that didn't have big rate spikes in it and allowed all those projects to get done in a timely fashion.

Mr. Gaffney stated that they had passed the water supply plan in 2010, and that stated they would complete the Community Water Supply Plan in 25 years, based on 2010 to 2035. He commented that he felt that 25 years was probably long enough to get that implemented.

Dr. Palmer agreed and stated she was very appreciative of Mr. O'Connell getting the ACSA Board together on this and giving them the letter for some direction.

Mr. O'Connell stated that the decision to do that was not unanimous.
Dr. Palmer stated it was close and they would have to see if the other person would come on board after they could see the rate study and programming. She stated that she remembered when she first got on the ACSA Board in 2006, she questioned the big surplus from the connection charges and was told by the chairman at that time that she didn’t understand and they needed to be putting money aside and that was what the connection charges were for, and that they had big projects coming forward. She stated she didn’t think that it would be that long before they started looking at that, and she was glad to hear that they were now at that point. Dr. Palmer suggested that they give Mr. Mawyer direction on this at their March meeting for future planning purposes from this board.

Ms. Galvin stated that City Council still needed to discuss it.

Mr. O’Connell responded that he recognized that, emphasizing that he was a single voice to some extent.

Dr. Palmer stated that the Board of Supervisors had been having some one-on-one discussions, and Mr. Richardson had been discussing it with Board members, so this would provide some time to make sure they were all on the same page.

Mr. O’Connell commented that an issue for all of them was the rate planning piece of it, which would be going to City Council fairly soon.

Ms. Galvin clarified that it would come to them in May.

Dr. Palmer suggested taking options A and D off the table and narrowing it to the other options, adding that this would provide guidance as to when they are getting easements for the pipeline, as this was important to the public affected by it.

Mr. Richardson recognized the staff for their hard work on all of the agenda items.

10. CLOSED MEETING

There was no closed meeting.

11. ADJOURNMENT

At 4:05 p.m., Mr. Jones moved to adjourn the meeting. Dr. Palmer seconded the motion, which passed unanimously (7-0).

Respectfully submitted,

Mr. Jeff Richardson
Secretary-Treasurer