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

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

Board Members Present: Ms. Kathy Galvin (arrived at 2:23 p.m.); Ms. Lauren Hildebrand; Mr. Maurice Jones; Mr. Gary O'Connell; Dr. Liz Palmer and Mr. Jeff Richardson (left at 2:48 p.m.).

Board Members Absent: Mr. Mike Gaffney.

Staff Present: Ms. Miranda Baird, Mr. Tim Castillo, Mr. Dom Freeman, Mr. Bill Mawyer, Ms. Katie McIlwec, Ms. Betsy Nemeth, Mr. Scott Schiller, Ms. Michelle Simpson, Ms. Andrea Terry, and Mr. Lonnie Wood.

Also Present: Mr. Kurt Krueger, RWSA counsel.

1. CALL TO ORDER

Mr. Jones, as Vice Chair, presided in Mr. Gaffney’s absence and called to order the Board of Directors of the Rivanna Water and Sewer Authority at 2:15 p.m.

2. MINUTES OF PREVIOUS BOARD MEETINGS
   a. Minutes of Regular Board Meeting on February 27, 2018

   Mr. O'Connell moved to approve the minutes of February 27, 2018. Dr. Palmer seconded the motion, which passed unanimously (5-0). Mr. Gaffney was absent from the meeting and the vote and Ms. Galvin had not yet arrived at the meeting.

3. RECOGNITION

   Mr. Jones noted that there were no recognitions this month and moved onto the Executive Director’s report.
4. EXECUTIVE DIRECTOR’S REPORT

Mr. Mawyer reported that four out of the five reservoirs were full, and Ragged Mountain was the only exception at 91% full. He noted that Rivanna had started filling Ragged Mountain on January 22, 2018 at which time it was about 80% full – so it has taken over two months to gain 10%, with another two months needed to fill the reservoir if Sugar Hollow stays full. He referenced the state drought condition map, stating that the February 25th map showed groundwater in a “warning” stage that continues to remain in that stage, but the streamflow has improved from the “watch” to the “normal” level. Mr. Mawyer mentioned that precipitation, reservoir levels, and streamflows were all normal, with the groundwater level still in a “watch” stage.

Mr. Mawyer reported that Rivanna had met with DEQ on March 25 to discuss the drinking water infrastructure plan for the Crozet area and to review calculations on safe yield, as well as the minimum instream flow requirement that the regulators would have for Beaver Creek Reservoir. He noted that this was part of the 50-year water supply plan for Crozet, and state and federal agencies were receptive to Rivanna’s report. Mr. Mawyer stated that the RWSA had not yet made official joint permit application but would in the next few months. He stated that the primary topic was whether a larger water supply was needed for the Crozet area for the next 50 years, but preliminarily there seems to be an adequate supply. Mr. Mawyer noted that Rivanna planned to meet with the Crozet Community Advisory Committee on June 20, 2018.

Dr. Palmer asked if Rivanna felt they had sufficient water for Crozet for the next 50 years.

Mr. Mawyer confirmed that they did but was still going through the calculations of safe yield and how much would be required in a stream release. He stated that Rivanna was hoping for a reasonable application of DEQ requirements, balanced with RWSA needs, and that no expansion of water supply in Crozet would be required.

Dr. Palmer asked if RWSA had not had instream flow requirements below the dam to date.

Mr. Mawyer confirmed that this was the case, adding that Beaver Creek was a grandfathered facility with no official minimum instream requirement. He noted that Rivanna was still working through the numbers with DEQ and other regulators in terms of how much water was coming in to the reservoir, how much had to be released to the stream, and what safe yield would be available. Mr. Mawyer commented that this water supply assessment fit in with plans for expanding the water treatment plan in Crozet from 1 MGD to 2 MGD, as some peak day demands were challenging the 1 MGD production. He stated that the RWSA was already designing that project.

Mr. O’Connell asked if the community meeting was set in June.

Mr. Mawyer responded that it was scheduled for June 20 at 7 p.m. at the Crozet Library.

Mr. Mawyer reported that Rivanna had met with the UVA Foundation regarding the South Rivanna Reservoir to Ragged Mountain Reservoir pipeline and the likelihood it would cross
Birdwood Golf Course, with coordination needed related to the Foundation’s planned construction there and the possibility of getting Rivanna’s pipeline in as part of that golf course project. He stated that UVA plans to start construction in July, so Rivanna is doing everything possible to get the pipeline coordinated with that effort.

Mr. Mawyer reported that the RWSA has had active community outreach, and Wastewater Department Manager Tim Castillo, Water Department Manager Dave Tungate, and Director of Engineering and Maintenance Jennifer Whitaker have all spoken to classes at UVA, as well as given tours. He stated that Water Resources Manager Andrea Terry and Water Quality Specialist Bethany Houchens had participated in the City of Charlottesville’s “Fix a Leak 5K,” with Ms. Terry and Katie McIlwree also participating in the World Water Day events sponsored by the Ivy Creek Foundation. Mr. Mawyer noted that he was scheduled the following day to speak to the League of Women Voters and the Sierra Club about Rivanna’s water treatment and water supply programs.

Mr. Mawyer stated that Rivanna has scheduled celebration events for the granular-activated carbon project, with invitations to be extended soon. He stated that there would be an event held on May 8, 2018 at the South Rivanna Water Treatment Plant in conjunction with National Drinking Water Week May 7-11, and there would be a similar ceremony and celebration at the Crozet Water Treatment Plant on May 9, and at the Scottsville Water Treatment Plant on May 10. Mr. Mawyer reported that May 14-18 was National Infrastructure Week, and Rivanna plans to celebrate completion of its odor control project with a ceremony and cookout at Riverview Park on May 17 at 12 noon.

Mr. Mawyer reported that Rivanna was continuing to participate in the Alum litigation with other utilities in Virginia, and Aqualaw PLC in Richmond and Ballard-Spahr from Philadelphia were serving as Rivanna’s counsel on that project.

Mr. Mawyer noted that Scottsville had begun treating water with the GAC system in February, and Crozet and the North Rivanna plants would begin treating water with the GAC system in March; the South Rivanna and Observatory plants would begin at the end of April.

5. ITEMS FROM THE PUBLIC

There were no items from the public.

6. RESPONSES TO PUBLIC COMMENTS

There were no responses to public comments from the previous month.

7. CONSENT AGENDA
   a. Staff Report on Finance
   b. Staff Report on Ongoing Projects
   c. Staff Report on Operations
d. MCAWRRF Second Centrifuge Project – Request for Additional Construction
Change Order Authorization and Project Budget

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

8. OTHER BUSINESS

a. Presentation from Rivanna Conservation Alliance, Executive Director, Robbie Savage

Ms. Savage reported that she had come before the RWSA Board in 2017 to talk about the Rivanna Conservation Alliance in terms of what the organization was doing to enhance its water quality monitoring – and they have exceeded all goals and expectations. She stated that the Level 3 Bacteria Monitoring Program was achieved and approved by the DEQ, and the Alliance is at the highest levels for both benthic bacteria programs, as well as being the only nonprofit that has this program. Ms. Savage noted that they may also be the only one who has it within the Chesapeake Bay area, and with programs nationally being reduced, eliminated, or decreased in rigor, it was important at the local level to have the kind of monitoring that enables them to maintain environmental programs over time. She stated that what it means for Level 3 is that all the data collected by staff and volunteers is equivalent to anything the state, USGS, or EPA provide. She stated that those organizations use that data for decision making for things like TMDL, water quality inventory, or development of water quality standards.

Ms. Savage mentioned that the Alliance received the Virginia Earth Team award in December for its outstanding use of citizen volunteers, and would receive the Southwest Regional NRCS award in April; the American Fisheries Society awarded her with a Virginia “Conservationist of the Year” award in February. She noted that she would be retiring as of December 31, 2018, but she had a wonderful staff that would continue providing an excellent level of service to the community. Ms. Savage stated that their new office would be located on 1150 River Road, and they would be sharing this building with The Nature Conservancy.

RWSA Board members thanked Ms. Savage for her service to the community.

b. Introduction of Proposed FY 2018 – 2019 Budget: Executive Director, Bill Mawyer

Mr. Mawyer recognized staff for their work in putting the budget together, stating that he would briefly present it to the Board. He mentioned that in the past year, Rivanna completed the GAC project and had substantially finished the odor control project. Mr. Mawyer stated that they completed their strategic plan, and Lonnie Wood and Betsy Nemeth had finished the classification and compensation study presented to the Board in February. He stated that there had been 14 out of 84 water and sewer positions turn over in the last year, with Ms. Nemeth’s staff recruiting replacements, and there were 3 new positions added that were also filled. Mr. Mawyer noted that Rivanna had improved some staff credentials, particularly water operators who increased their license levels – with the highest being Class 1 – and this would help with licensing requirements at the Observatory and South Rivanna plants.
Mr. Mawyer reported that Rivanna would be implanting its strategic plan in the coming year and at the April RWSA Board meeting would describe projects and implementation. He stated that Ms. Nemeth and her staff have met with Piedmont Virginia Community College and have developed a leadership development program, with many staff – especially middle managers – taking half-day classes through a PVCC instructor.

Mr. Mawyer reported that Rivanna would continue with the South Rivanna to Ragged Mountain pipeline right-of-way project; the Avon to Pantops pipeline; South Rivanna and Observatory water treatment plant improvements; Crozet Water Treatment Plant upgrades including a water treatment plant upgrade, construction of a water pump station, a wastewater flow equalization tank near Route 250, and Beaver Creek Dam modifications.

Mr. Mawyer stated that Rivanna has about $306 million in assets, including the five reservoirs, five water treatment plants, four wastewater treatment plants, wastewater and water pump stations, and water/wastewater distribution piping. He stated that they also manage Lickinghole Creek Basin as a storm water impoundment. Mr. Mawyer stated that the proposed budget for FY19 is $333,277,000, with 47% comprised of debt service to pay for construction projects, personnel costs at 25% or $8.2 million; general services, including utilities, insurance, permits, professional fees at 12%; and operation and maintenance comprising the remaining 16%. He stated that the current proposed budget was $2.3 million greater than last year, or a 7.3% increase, and that includes an operating expense increase of $1 million and debt service expense increase of $1.3 million.

Mr. Mawyer stated that to fund these increases in expenses, Rivanna is proposing an increase in revenue or charges to the City of approximately $681,000 – a 5% increase; and a $1.6 million increase to the Albemarle County Service Authority, representing a 10.4% increase. He stated that the operating budget of $1 million is comprised of a 3% merit pool for personnel, three additional positions for FY19 – a water plant operator, an instrumentation specialist to assist in monitoring and managing the devices in the water treatment plants and the meters in the system, and a software analyst to help manage SCADA, GIS, document management, and financial management systems. Mr. Mawyer noted that their health insurance consultant states that Rivanna should anticipate a 10% increase in health insurance rates.

Mr. Mawyer stated that personnel costs align with Rivanna’s strategic plan goal of workforce development, and $115K is included in the budget to help with strategic plan implementation and provide resources to help achieve stated goals – which could include paying for Rafterlis, training with PVCC, necessary software to help enhance both internal and external communications, and safety improvements. He reported that reservoir management reflects a cost increase, primarily for bathymetric studies to remeasure the volume of the Ragged Mountain and South Rivanna reservoirs – supporting the strategic plan goal of environmental stewardship.

Mr. Mawyer stated that the urban wastewater system has a cost increase, largely due to the new Rivanna Sewage Pump Station. He stated they have been exceeding their prior budget in the Crozet interceptor system as they convey sewage back and forth, with odor concerns along the way that have been mitigated by vendor chemical costs.
Mr. Mawyer reported that he has been advocating for a technology master plan, and as Rivanna considers purchasing a new asset management system and has multiple administrative systems, Rivanna needs to have a plan as to how these systems will all work together – ensuring that they are able to be integrated. He commented that they want GIS to serve as asset inventory, with data pertaining to pumps and pipes maintained within the GIS and asset management integrated with GIS so it can pull data out and help with predictive maintenance and replacement through GIS.

Mr. Mawyer referenced an organizational chart reflecting the three divisions as approved by the Board in 2018 and the three new positions included in the budget. He stated that debt service is the other part the $2.3 million increase, largely due to upgrades to treatment plants, the Avon to Pantops pipeline, and the Ragged Mountain to Observatory pipe and pump station replacement. He noted that there was a lot of work pending in Crozet and a lot of work for the urban water systems, which were collectively creating the debt service increase. Mr. Mawyer stated that Rivanna talked about the Ragged Mountain/Observatory project in their CIP discussion in February, noting that they replaced the pipes from Ragged Mountain Reservoir to the Observatory Treatment Plant. He explained that the existing pump stations pump the untreated raw water from Ragged Mountain to Observatory, which is about 100 years old, and as they upgrade that plant they want to make sure they can get the water to the plant. Mr. Mawyer referenced a map showing the new water line that would replace the two existing water lines and the new pump station that would serve the dual purpose of pumping water from Ragged Mountain Reservoir to the Observatory Treatment Plant and would pump back to the north to the South Rivanna Treatment Plant — serving as the southern terminus pump station as needed, when the pipeline is constructed.

Mr. Mawyer noted that Board members had been interested in the cost per gallon that would be translated to retail customers, but Ms. Hildebrand and Mr. O’Connell would need to provide that information.

Dr. Palmer responded that the ACSA was working on their rate structure and would not be passing all of those costs at once onto customers.

Mr. O’Connell explained that for an average 4,000-gallon-per-month residential customer, the ACSA would be looking at an 3.31% increase, equating to just over $2.00 per month per customer. He noted that depending on the season of the year, people used about 3,200 to 3,400 gallons per month. Mr. O’Connell clarified that the increase was for both water and sewer, bringing the Rivanna wholesale rate to the retail rate being charged to customers, and this would go before the ACSA Board on April 19.

Mr. Jones mentioned that the City would be considering water rates in May.

Dr. Palmer moved to approve the proposed rate resolution authorizing the RWSA to advertise water and sewer rates and set a public hearing for May 22, 2018. Ms. Galvin seconded the motion, which passed unanimously (6-0). Mr. Gaffney was absent from the meeting and the vote.

9. OTHER ITEMS FROM BOARD/STAFF NOT ON AGENDA
Mr. O’Connell asked Mr. Mawyer to address the status of the Observatory lease.

Mr. Mawyer explained that Rivanna had evolved from one lease for all University facilities to two leases with a separate lease for the Alderman Road pump station, as well as an easement for waterlines in between. He stated that the discussions with UVA were going positively, with Mr. Krueger drafting documents and Ms. Whitaker preparing the plats for the easements. He stated that after reviewing easements, staff was now ready to meet again with Mr. Krueger to discuss those – then would go back to UVA in April and again in May. He noted that they would involve the City to review the documents as they separate the lease, with the City having agreements on water rates and the RWSA having the lease for facilities. Mr. Mawyer stated that the lease went from being one document to at least three, but in the long run would be a good thing and was a 99-year lease, with UVA’s details regarding lighting and noise to be integrated in the new documents.

Mr. Krueger mentioned that the original lease from 1922 was amended multiple times, and there have been add-on easements since then. He stated that Ms. Whitaker had catalogued the entire list of assets and they have been categorizing items into what goes into the plant lease, the other lease, and the easements, etc. Mr. Krueger noted that the survey Rivanna has commissioned would be a visual picture of all the pieces that need to go into various documents.

Mr. Mawyer commented that they hoped to have it wrapped up by the end of the year.

Ms. Galvin asked if the strategic plan had been helpful.

Mr. Mawyer responded that it had, stating that when different topics arise, they look to see how this fits and what guidance the plan can provide. He stated that the six goal teams were actively meeting now and were putting together the more detailed projects, thinking collectively about improvements and how to get there – so the plan was helping communications and networking, as well as results.

10. CLOSED MEETING

There was no closed meeting held.

11. ADJOURNMENT

Ms. Hildebrand moved to adjourn the meeting. Mr. O’Connell seconded the motion, which passed 4-0. Mr. Gaffney was absent from the meeting and the vote and Dr. Palmer and Mr. Richardson had left the meeting at 2:48 p.m. and were not present for the vote.

Respectfully submitted,

[Signature]

Mr. Jeff Richardson
Secretary-Treasurer