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

A regular meeting of the Rivanna Solid Waste Authority (RSWA) Board of Directors was held on Tuesday, February 27, 2018 at 2:00 p.m. in the 2nd floor conference room, Administration Building, 695 Moores Creek Lane, Charlottesville, Virginia.

Board Members Present: Mr. Mike Gaffney – presiding, Ms. Kathy Galvin, Mr. Trevor Henry, Mr. Maurice Jones, Mr. Paul Oberdorfer, Dr. Liz Palmer and Mr. Jeff Richardson.

Staff Present: Mr. Tim Castillo, Ms. Victoria Fort, Mr. Rich Gullick, Mr. Bill Mawyer, Ms. Katie McIlwee, Mr. Philip McKalips, Ms. Betsy Nemeth, Mr. David Rhodes, Mr. Scott Schiller, Ms. Michelle Simpson, Ms. Andrea Terry, Ms. Jennifer Whitaker, and Mr. Lonnie.

Also Present: Mr. Kurt Krueger – RSWA Counsel, members of the public, and media representatives.

1. CALL TO ORDER

Mr. Gaffney called the meeting to order at 2:00 p.m.

2. MINUTES OF PREVIOUS BOARD MEETING
   a. Minutes of the Regular Meeting of the Board on November 14, 2017

There were no changes to the minutes.

Dr. Palmer moved to approve the minutes of the RSWA November 14, 2017 meeting as presented. Mr. Jones seconded the motion, which passed unanimously (7-0).

3. RECOGNITION

There were no recognitions on the agenda.

4. EXECUTIVE DIRECTOR’S REPORT

Mr. Mawyer wished members of the Board a Happy New Year.
Mr. Mawyer expressed upcoming exciting times for Solid Waste and stated that at the next meeting, he was hopeful to have a screen monitor in front of the Board at the podium so that members can avoid having to turn around or move to view presentations. He noted that the Ivy Transfer Station was under construction, and Michelle Simpson and the Rivanna inspector were doing a great job.

Ms. Simpson confirmed that things were coming along well and directed the Board to look at pictures of the ladder and the walls going up. She also indicated the area that would get filled in with stone up to the top of where the walls would be and that the eight-inch thick concrete floor would be poured next, with the rest of the walls and building to be constructed on top of that.

Mr. Mawyer stated that by fall or winter they expected to be “open for business.”

Mr. Mawyer reported that the Compostable Food Waste Program has taken a step forward and recalled that when the program was started last year, there was a solid waste transporting firm – Thompson Trucking – that was hauling the compostable food waste from Ivy 130 miles to Waverly, VA, where they would then go to the McGill Compost facility, where Rivanna also sent its wastewater biosolids, with those products mixed together to make compost.

Mr. Mawyer added that UVA was being charged about $250 per ton in order to process that program, so RSWA put out a request for bids and Black Bear Composting (BBC) was the low bidder. He noted that BBC formerly had a compost facility in Crimora, VA, near Waynesboro, and was now opening that facility back up again. He stated BBC was the current provider for UVA, and would now be RSWA’s regional provider for compostable food material transportation.

Mr. Mawyer then directed the Board to view a picture that showed a 30-cubic-yard heavy green container that was formerly used, but stated that Black Bear now uses a yellow 55-gallon “toter” and stated that what would be used to bring food waste from UVA to Ivy to be weighed at the scales. He noted that there would also be additional Black Bear composting containers at Ivy so residents could bring compost and dispose of it for free and businesses could bring it for a charge. Mr. Mawyer stated that the program would be piloted since they accept compostable food waste at the McIntire facility for free from residents but businesses were not allowed to go there, so the program would be similar to the McIntire model. Mr. Mawyer stated that Black Bear would then take the products to its site in Crimora and through the bidding process the costs has been reduced from about $250 per ton to $178 per ton. He stated that objectives were to get market-based pricing as low as possible, and Rivanna was working with city and county schools to see if they want to start bringing their product and grow the regional program. He commented that he has been pleased at the progress being made so far with the program.

Dr. Palmer asked Mr. Mawyer how much UVA was paying when waste was transported across the scales.

Mr. Mawyer responded that it was $178 per ton. He explained that RSWA paid Black Bear the bid price, which was $154 per ton so there was a $24 per ton, or 15% mark up, for the overhead.
and expenses for managing the equipment, the scale house, and doing the billing – which was an improvement from the original price to UVA with a 25% mark up. Mr. Mawyer stated that the smaller totes and smaller equipment would provide more efficient operations and could reduce the cost to RWSA, which would enable everyone to get that benefit.

Mr. Mawyer confirmed for Dr. Palmer that Black Bear’s charge to RSWA was $154 per ton and UVA’s cost was $178 per ton, as well as anyone else that would use the program other than residents.

Mr. Mawyer reported that Rivanna has had requests to start an Electronic Waste Program, also called “E-Waste,” and the Albemarle County Solid Waste Advisory Committee (SWAC) has talked about it, and he received a call as well from the Virginia Organizing Project’s Charlottesville chapter. He stated that this program was explored and it did not appear that the McIntire Recycling Center had adequate space to support an E-Waste program, which would involve people bringing computers, printers, televisions, and electronic equipment – and those items would take more space than is available at McIntire. Mr. Mawyer stated they looked at providing the program at Ivy and stated that it would be a feasible location, with two choices there. The first choice would be to buy trailers and use RSWA’s tractor and haul the products to a vendor in Richmond, and he estimated the costs to be $100K for the first year to get the program started to purchase the trailer and pay for the products, as well as paying the vendor. He added that the costs would be $100K for the first year, and $60K per year thereafter as all the equipment would have already been purchased. Mr. Mawyer stated that a preferable option was to sponsor E-Waste Days at IMUC, similar to the current Household Hazardous Waste Days, and Care Environmental, which does the Hazardous Waste Days collection, could also do the E-Waste collection. Mr. Mawyer indicated that it would cost about $12K per day for Care Environmental to bring the trailers and their equipment to take the electronics and dispose of them.

Dr. Palmer asked for clarification that the electronics would go to a company that recycled those products.

Mr. Mawyer stated that it was his understanding that was correct in that they would go to an electronics recycler.

Mr. Gaffney asked if that also included businesses up to a certain size and not just individuals.

Mr. Mawyer confirmed that this was correct.

Mr. McKalips added that it could take from either individuals or businesses.

Mr. Mawyer stated they were not looking for a large entity like Best Buy to bring a thousand used computers, as that would cost a fortune. Mr. Mawyer stated that the $12K amount was for two trailers and when they were full that would be the limit.

Ms. Galvin inquired as to how many days were being expected for the program.
Mr. Mawyer answered approximately two to four days a year, which was similar to the Household Hazardous Waste program.

Dr. Palmer asked how RSWA would handle that since companies like Best Buy were required by the state to take electronic equipment, and asked if there were other local companies that were required to follow the same procedures, and wondered if problems would be encountered by RSWA.

Mr. McKalips responded that because of the volume, he would envision that the initial e-waste days would be open to residents and not businesses – just from the standpoint that the school district could possibly show up and have a warehouse full of products that would consume our capacity, which would then prevent residents from using the service. He added that an appointment system could be set up for businesses, as was done for the HHW program, and businesses could register ahead of time so that space could be earmarked.

Mr. Mawyer added that RSWA would probably want to charge businesses, and there was general agreement among the Board to follow that recommendation.

Mr. Mawyer reported that the HHW program was funded by the Board at approximately $100K to $110K per year, and stated that the county paid 64.5% of that cost and the city paid 35.5%. He added that UVA contributes $80K toward the environmental program of the entire landfill – groundwater management and air management. Mr. Mawyer stated that this was where RSWA was funding the HHW management program, also through the environmental budget, and he clarified that UVA paid about $80K per year, the county paid 64.5% and the city paid 35.5% of that program.

Mr. Gaffney stated that UVA’s contract was 7%, so the remainder of that was split 60/33. He asked for confirmation from Mr. Wood, who answered in the affirmative.

Mr. Mawyer stated that was how the program would be funded and asked if the Board would like to take action now or if the Board would prefer further study. Mr. Mawyer stated he was providing it as feedback as heard from SWAC and the one business in Charlottesville if RSWA could become a regional electronic waste disposal location.

Mr. Gaffney asked if RSWA did it in the current year, whether they would tie it to add another day on to the Spring HHW Program or whether it would be done at a totally different time period.

Mr. Mawyer responded that they were thinking of a different day so that the traffic would not be involved with the other traffic, as the other HHW events were pretty well modulated to avoid a huge traffic jam. Mr. Mawyer stated that was done in part by making paint disposal available every day, and added that staff had done a good job on that item. Mr. Mawyer stated that program didn’t have traffic problems, so there would be a concern if they added E-Waste at the same time as it could increase traffic. He suggested trying a different day or different weekend, and stated that it could be targeted primarily for residential use on a following Saturday.
Ms. Galvin noted that they could keep it within the timeframe for the spring cleaning period.

Dr. Palmer noted that the E-Waste days would be a good way to start and was hopeful that in the future it could be done in a similar fashion as the paint days, but it seemed reasonable to start with E-Waste days. She pointed out that SWAC was very interested in this issue, as was the Board, and it seemed like the $12K split between the two was a small amount of money for a good benefit. Dr. Palmer stated she was very much interested in this item.

Ms. Galvin added that these items are exceptionally hazardous wastes.

Dr. Palmer moved to accept the recommendation for sponsoring E-Waste Days at IMUC with a vendor and daily costs of approximately $12K.

Mr. Mawyer asked if that would be for one day at the Spring event and one day at the Fall event.

The Board answered in the affirmative.

Ms. Galvin seconded the motion and it was passed unanimously (7-0).

Mr. Mawyer thanked Mr. Phil McKalips for doing all the research on the item.

Mr. Mawyer discussed HHW Days and Amnesty Days to take place on April 26 for commercial hazardous waste, with the residential day being on April 27 and 28, and bulky waste Amnesty Day on May 5, 12, and 19. He stated those three days would be on Saturdays.

Mr. Mawyer indicated a very positive outpouring of community outreach, first from the UVA Theta Chapter of Alpha Phi Omega – the same group that in the Fall worked at McIntire, and then came again and cleaned up at McIntire and walked the Dick Woods Road area and cleaned up trash from the side of the road. Mr. Mawyer expressed thanks and appreciation for them being such a nice group to help Rivanna out.

Mr. Mawyer discussed contacts with the Community Power Group about leasing 10 acres to them to build solar cells, and stated they were going to use that project for a proposed project with Dominion Energy. Mr. Mawyer stated the project was not accepted in the RFP process Dominion used, and he stated he was not aware of the reasons why it was not accepted. Mr. Mawyer stated that Community Power Group was still going to try and find a way with Dominion or someone else to have a project, but for the time being it was not going to be pursued.

Mr. Mawyer stated that Rivanna would have the Solid Waste CIP and operating budgets for review in April. He stated they would also have the first year of the strategic work plan to tell the Board about projects that are being placed in the strategic plan and hopefully get the Board’s concurrence with those projects on the assumption that the Board approved the strategic plan.

Mr. Mawyer stated they would advertise the operating budget for solid waste with the intention to adopt the solid waste budgets in May.
Mr. Gaffney asked for any additional comments or questions for Mr. Mawyer. There were none.

5. **ITEMS FROM THE PUBLIC**

There were no items from the public.

6. **RESPONSES TO PUBLIC COMMENTS**

There were no responses to public comments for this month.

7. **CONSENT AGENDA**
   
a. **Staff Report on Finance**
   
b. **Staff Report on Ivy Material Utilization Center/Recycling Operations Update**
   
c. **Staff Report on Ivy Landfill Environmental Status**
   
d. **Staff Report on Ongoing Projects**
   
e. **Recommendation for Approval of the Strategic Plan 2018**
   
f. **Recommendation for Approval of Purchasing Manual Update**
   
g. **Recommendation for Engineering Services – Recycling Master Plan for the IMUC and County Convenience Facilities - Arcadis U.S., Inc.**
   
h. **Recommendation to Modify the IMUC Dam**

Mr. Gaffney stated that there would be a replacement for Item 7g.

Mr. Mawyer stated that the replacement related to a scope of work with an engineering firm, Arcadis, to do a master plan for the Ivy MUC, as well as for some remote convenience centers in the county – and yesterday he had spoken with Mr. Henry and Dr. Palmer to talk about efforts the county had already gone through in looking at sites. He noted that there would still be a master plan developed for the MUC, but this reduced the scope and the fee.

Dr. Palmer expressed concern regarding looking at the scope more carefully and having an evaluation of what the county had already done, as well as getting the solid waste committee involved and making sure the Board of Supervisors know what they are paying for. Dr. Palmer stated the Board of Supervisors had already stated that they were very interested in going forward with the master planning process, but stated they did not want to delve too quickly into establishing and/or identifying different areas out in the county until they had a chance to do their own outreach to their constituents. Dr. Palmer asked for more information as to how master planning money was not placed in with the recommendation in the budget for the other additional work for building and operating the convenience center and recycling center at Ivy. She stated that Rivanna had not always taken these recommendations back to the Board of
Supervisors and City Council to make these adjustments, and asked staff to speak to how that
could be done with respect to the amount not to exceed $49,000.

Mr. Mawyer responded that several parts of the solid waste budget – operations at the landfill
and the transfer operation at the landfill – are budgeted solely for the County’s expense because
the city didn’t send any refuse to Ivy. He also stated that Rivanna took in revenues because
county haulers and others brought municipal solid waste refuse to the landfill, and they are
charged $66 per ton for that product. He noted that they take clean fill, brush, and other items, so
these provide a revenue stream. Mr. Mawyer stated they also have a budget that includes expense
projections, and Rivanna lets the county know the amount – but then does a true-up at the end of
the year depending on the actual revenues and expenses, which had typically been a deficit that
required further county contribution. He mentioned that last year, the environmental program –
which is a shared expense with the City – had residual money left over, so both entities received
a refund.

Mr. Wood clarified that for environmental, there was no true-up. Only the operating accounts
true-up – so the environmental funds would stay in reserves and carry over to Rivanna.

Dr. Palmer pointed out that city residents and business did in fact send waste to Ivy.

Mr. Mawyer agreed.

Dr. Palmer explained that on the county side, they had a reserve for contingencies or similar fund
to cover that, and the Board of Supervisors did not get all of the Ivy expenses into its budget for
master planning.

Mr. Henry noted that there was not a firm estimate for Ivy.

Dr. Palmer responded that there was a general estimate for it quite a while back, but it was only
verbal.

Mr. Henry stated that the complicating factor is that this would typically come out the CIP, not
operating, and he was very supportive of the work to do the master planning. He stated that
process wise, it seemed better to go through the Board of Supervisors and have it authorized for
an appropriation prior to proceeding, although Dr. Palmer had just discussed it with them the
previous day.

Ms. Palmer clarified that the Board’s expectation is for Rivanna to move forward, and this was a
good example of how they needed to work out the coordination in dealing with the transfer
station and its ultimate use. She stated that this was somewhat of a test case that revealed some
holes in the process.

Mr. Richardson asked what a placeholder amount would be to take it back to the Board.
Mr. Mawyer responded that they had an amount not to exceed $49,000, and that was a unilateral number they came up with as they adjusted the scope, so they still need to discuss it with the consultant.

Mr. Gaffney asked if the question was the cost of the recycling centers and convenience facilities.

Dr. Palmer replied that the Board had that budgeted, and this pertained only to the master planning.

Mr. Henry explained that this was not in the current budget and appropriation, authorizing the work now with the understanding they would have to true it up in July, and the preference would be for the Board to authorize it ahead of time.

Dr. Palmer reiterated that they didn’t do that, so she would leave it up to the Executive Director for that direction.

Mr. Richardson stated they would be meeting with the Board in two days to review the CIP, so it could be discussed then with the specific amount of $50,000.

Mr. Krueger suggested that they could approve it now contingent upon the Board of Supervisors authorizing the funds as an appropriation from the CIP, then they could let Mr. Mawyer know.

Board members agreed with that approach.

Dr. Palmer suggested that they vote on these separately.

Mr. Krueger agreed that they could have a separate motion for 7g.

Ms. Galvin moved to approve Consent Agenda items 7a–f and 7h as presented. Dr. Palmer seconded the motion, which passed unanimously (7-0).

Ms. Palmer moved to approve Consent Agenda items 7g, with a recommendation for engineering services as amended in the memorandum, contingent upon approval of funding from the Albemarle County Board of Supervisors. Mr. Richardson seconded the motion, which passed unanimously (7-0).

8. OTHER BUSINESS

Mr. Robert Huff of Robinson Farmer Cox Associates, RSWA’s auditor, thanked the Board for the opportunity to present his report on the Comprehensive Annual Financial Report for the year ending June 30, 2017. He stated that the CAFR contained unqualified opinions as in the past, and except for the statutory obligations to appear before the Board and report out the communications with those charged with governance, it would almost be unnecessary to report the findings. Mr. Huff stated that the qualitative aspects of the accounting practices are excellent,
and the difficulties encountered in performing the audit were none. He stated that there were no
corrected or uncorrected misstatements within the document, and there were no disagreements
with management—oral or otherwise—and the management representations were all signed,
with no one shopping for a second opinion report and no other matters or issues to be disclosed.
Mr. Huff stated that there were no restrictions on the use of the report whatsoever.

Mr. Huff did point out that the report had gotten a certificate of achievement that Mr. Wood and
his staff put in for annually. He noted that the opinions on page 131 of the report were
"unmodified," which was the equivalent of a positive report, and stated that operationally all
aspects of annual fund balances were very close year to year except for a few small changes. Mr.
Huff stated that regarding capital projects, this was a very routine report. Mr. Huff stated that this
concluded his formal remarks, and stated there was no management letter as there was no reason
for one.

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

At 2:36 p.m., Dr. Palmer moved to recess the RSWA Board meeting. Mr. Jones seconded
the motion, which passed unanimously (7-0).

The RSWA Board recessed their meeting at 2:36 p.m.

At 2:52 p.m., Dr. Palmer moved to reconvene the RSWA Board meeting. Mr. Jones
seconded the motion, which passed unanimously (7-0).

The RSWA Board reconvened their meeting at 2:52 p.m., as a joint meeting with the
RWSA Board.

b. Presentation to the RWSA / RSWA on the Compensation & Classification Study
Recommendations: Director of Finance & Administration, Lonnie Wood and
Consultant David Bollenback with Evergreen Solutions

Mr. Wood reported that the previous summer staff initiated a compensation study that included
reviewing their 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 similar localities 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 RSWA 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 a 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 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 by the employee’s individual
perspective – so that 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
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, they 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 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 for an employee throughout the time of employment. He reported that Rivanna was 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 Rivanna 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 Rivanna competes 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 adopted 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 a 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 was Roanoke, and whether its 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 represented.

Mr. Bollenback explained that the asterisk represented organizations – the South Central Wastewater Authority and Appomattox County Water – and the asterisks indicated that the administration of the water plants 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 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 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 for existing employees 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 be better positioned
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 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 what about the 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 based 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 discussed 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, they 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% scale adjustment plus merit or a 2% — so the system rewards the high performers. He commented that if they were 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 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 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 in 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 0 and 3 – with 3 being high performers and 0 being the minimum performers – and those 3% dollars would get allocated to employees based on their score. Mr. Mawyer stated that 3% would be the average merit 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, 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 RSWA 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. Richardson seconded the motion, which passed unanimously (7-0).

9. **OTHER ITEMS FROM BOARD/STAFF NOT ON AGENDA**

There were none presented.

10. **CLOSED MEETING**

There was no closed meeting.

11. **ADJOURNMENT**

At 3:27 p.m., Dr. Palmer moved to adjourn the RSWA Board meeting. Ms. Galvin seconded the motion, which passed unanimously (7-0).

Respectfully submitted,

Mr. Maurice Jones
Secretary - Treasurer