RWSA BOARD OF DIRECTORS
Minutes of Regular Meeting
February 26, 2019

A regular meeting of the Rivanna Water & Sewer Authority (RWSA) Board of Directors was held on Tuesday, February 26, 2019 at 2:15 p.m. in the 2nd floor conference room, Administration Building, 695 Moores Creek Lane, Charlottesville, Virginia.

Board Members Present: Mike Gaffney, Mike Murphy (left at 3:26 p.m.), Liz Palmer, Kathy Galvin, Lauren Hildebrand, and Jeff Richardson.

Board Members Absent: Gary O’Connell.

Staff Present: Bill Mawyer, Katie McIlwee, Scott Schiller, Phil McKalips, David Rhoades, Liz Coleman, Michelle Simpson, Andrea Terry, Austin Marrs, Victoria Fort, and Dave Tunagate

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

1. CALL TO ORDER

Mr. Gaffney called the regular meeting of the Board of Directors of the Rivanna Water and Sewer Authority at 2:55 p.m.

2. MINUTES OF PREVIOUS BOARD MEETINGS

a. Minutes of Regular Board Meeting on January 22, 2019

There were no changes to the minutes presented.

Dr. Palmer moved to approve the RWSA Board meeting minutes of January 22, 2019. Ms. Galvin seconded the motion, which passed 6-0. Mr. O’Connell was absent from the meeting and the vote.

3. RECOGNITION

a. Resolution of Appreciation for Larry Perkins

Mr. Gaffney read the following resolution into the record:

Resolution of Appreciation for Larry Perkins

WHEREAS, Mr. Perkins has served in a number of positions, most recently as a Mechanic for the Rivanna Water and Sewer Authority and the Rivanna Solid Waste Authority since December, 2001;

WHEREAS, over the same period in excess of 17 years, Mr. Perkins has demonstrated leadership in his field and has been a valuable resource to the Authority and its employees;
WHEREAS, Mr. Perkins’s understanding of the Authority’s operation and dedication and
loyalty to the Authority has positively impacted the Authority, its customers and its employees;
WHEREAS, the Rivanna Water and Sewer Authority Board of Directors is most grateful
for the professional and personal contributions Mr. Perkins has provided to the Rivanna Water
and Sewer Authority and to its customers and its employees;
NOW, THEREFORE, BE IT RESOLVED that the Rivanna Water and Sewer Authority
Board of Directors recognizes, thanks and commends Mr. Perkins for his distinguished service,
efforts and achievements as a member of the Rivanna Water and Sewer Authority, and presents
this Resolution as a token of esteem, with its best wishes in his retirement.
BE IT FURTHER RESOLVED that this Resolution be entered upon the permanent
Minutes of the Rivanna Water and Sewer Authority.

Dr. Palmer moved to approve the resolution as presented. Ms. Galvin seconded the motion,
which passed 6-0. Mr. O’Connell was absent from the meeting and the vote.

4. EXECUTIVE DIRECTOR’S REPORT

Mr. Mawyer reported that Rivanna had recently hosted safety training for confined space entry
and hired a trainer from PVCC to train Rivanna staff, with City and ACSA personnel invited to
attend, which some did. He stated that they would also be holding lockout/tagout training that
focuses on how to shut down equipment properly when working on it so you don’t get
electrocuted, as well as further fall protection training.

Mr. Mawyer reported that work continued on the Birdwood waterline and presented a few
pictures of the pipe installation, with the inspector telling him earlier in the day that there had
been 700 feet installed thus far. He thanked Ms. Simpson for her work in keeping the project
moving. He stated that Ms. Fort and other staff had been meeting with the UVA Foundation and
VDOT, as well as City staff, and with the Albemarle County School Board on easements for the
South Rivanna to Ragged Mountain raw water line. He noted that they would need easements for
the City’s properties at Ragged Mountain.

Mr. Mawyer stated that Rivanna was working with UVA Facilities on the Observatory Water
Treatment Plant lease, and Mr. Krueger had worked to update the documents, which were ready
to be returned to UVA for the next round of discussions and finalization of the terms and
conditions of the lease. He stated this would be another 99-year lease, if approved, and there was
also a lease on a pump station and an easement on all the piping on the Grounds.

Mr. Mawyer stated that staff would present the operating budget at the March meeting, with
public hearings scheduled in May for the CIP and the FY20 budget.

Mr. Mawyer stated that they continued to try to have community outreach from water and sewer,
and Mr. Tungate and Ms. Mcllwee had taken about 60 elementary school students around the
plant and showed them what wastewater was all about, with a presentation also given in Crozet.

He stated that on February 28, Rivanna would be hosting the Northwest Central Virginia Utility
Managers networking meeting, spurred by the recent water incident in Louisa. He explained that
Rivanna took a swath that included northwest Central Virginia, north of Richmond, and invited all the utilities in the area to come and network -- with Amherst, Augusta, Culpeper, Louisa, and other localities attending.

Mr. Gaffney requested that in future reports, Mr. Mawyer include how many people outside of Rivanna came for safety training.

Mr. Mawyer agreed to do so.

5. ITEMS FROM THE PUBLIC
There were no items from the public.

6. RESPONSES TO PUBLIC COMMENTS
There were no responses to public comments.

7. CONSENT AGENDA
a. Staff Report on Finance
b. Staff Report on Ongoing Projects
c. Staff Report on Operations

Dr. Palmer moved to approve the Consent Agenda as presented. Ms. Galvin seconded the motion, which passed 6-0. Mr. O’Connell was absent from the meeting and the vote.

8. OTHER BUSINESS

(JOINT SESSION WITH THE RSWA)

The Rivanna Solid Waste Authority Board of Directors reconvened its meeting and joined the RWSA Board meeting at 3:02 p.m.

a. Presentation: Quarterly Strategic Plan Update; Katie McIlwee, Executive Coordinator and Communications Manager

Ms. McIlwee reported that this was staff’s third update to the Board and the first quarter update for 2019. She reminded them that the Strategic Plan had 6 goals, 12 strategies, and 78 tactics -- with the only change being that Mr. Tungate was now the sole goal champion for Operational Optimization. She stated that according to Strategy Blocks -- the software program used to track progress -- the progress was 79%, slightly behind the goal of 81%.

Ms. McIlwee reported that Workforce Development finished the annual staffing needs assessment and recommendations had been made to be included in this year’s budget and coordination with PVCC for training for various topics such as safety and operator training continues. She stated that they continued to draft the individual development plans, which would
be rolled out next and would tie into performance reviews. She noted that they were also
reviewing pay scale adjustments and the individual development plan with the leadership team.

Ms. McIlwee reported that Operational Optimization has hired a consultant to do a safety master
plan; security systems at South Rivanna and Crozet Water Treatment Plants had been upgraded;
and the corrosion inhibitor study had also been completed, with review of the recommendations
from that study to begin along with implementation and completion of the safety master plan.

Mr. Mawyer commented that staff would have a presentation for the Board in March on the
corrosion inhibitor study.

Ms. McIlwee stated that the Communication and Collaboration Goal Team recently rolled out
the employee portal, which was an internal communication platform located within the website
for offsite employees, which can be accessed from a computer or mobile device. The Portal
provides basic information such as health insurance or leave forms. She stated that she had
analyzed web statistics to get an idea of which pages got the most usage, and she also removed
about 10 outdated or blank pages.

Ms. McIlwee reported that their next steps were to continue to coordinate with the City, County,
ACSA, and Rivanna Conservation Alliance on the “RiverFest” festival to take place in May. She
stated that the City had moved its 5K to the event, and the Alliance was doing a regatta race at
the same time, which had become a much larger festival.

She stated that the IT Master Plan was wrapping up and they were looking at ways to increase
internal communication platforms and possibly make the employee portal more extensive or
move to a different type of platform. She stated that they would also reexamine records
management protocols.

Ms. McIlwee reported that the Environmental Stewardship Goal Team added an environmental
tip to the Rivanna Review, a bi-monthly employee newsletter and was looking at topics to
include in the employee portal. She stated that they have also identified and requested funding
for green initiatives, and were working with her to coordinate on RiverFest, as well as
coordinating a Rivanna employee stream cleanup -- most likely for Moore’s Creek -- in
coordination with the Rivanna Conservation Alliance.

Ms. Palmer stated that one of the issues that generated complaints was haulers not covering the
back of their loads, which led to a lot of roadside trash and littering concerns -- and possibly
RSWA’s education to haulers could include an explanation of this issue.

Ms. McIlwee reported that Solid Waste Services had completed the Master Plan, which was
presented to the RSWA Board earlier in the meeting. She stated that they had reduced the tipping
fees on MSW and CDD, and they have researched the possibility of being open on Mondays and
after Board approval would begin implementation of the expanded operating schedule. She
stated that they would begin advertising that Ivy would be open on Mondays starting March 18,
2019, and that would also include expanded recycling services at the Ivy MUC.
Ms. McIlwee reported that with Infrastructure and Master Planning, the first stages of the asset management plan had been completed -- including the awareness training and program development workshops. She stated that they had worked with the GIS coordinator to organize the current asset and information and would continue to organize it and develop a matrix to track additional master plan needs.

Mr. Henry asked for a copy of the PowerPoint.

Mr. Gaffney requested a brief update on RiverFest at their next meeting.

The Rivanna Solid Waste Authority Board of Directors closed its meeting at 3:12 p.m.

b. Presentation: Proposed CIP FY 2020–2024; Bill Mawyer, Executive Director

Mr. Mawyer presented the CIP for the next five years and thanked staff for their work, noting that Mr. Schiller, Mr. Wood, and Ms. Whitaker had worked extensively on the CIP. He stated that they had met with Mr. O’Connell several times and with Ms. Hildebrand. He stated that while this was capital improvement, they also had to draft through the operating budget to meld the two things -- because the bottom line was what the cost increases were to the two RWSA customers.

Mr. Mawyer reported that the FY20-24 CIP totaled $99.5 million and included about 39 projects to be completed during those five years, as well as three additional projects to be worked on during the five years but which wouldn’t be completed as they extended to FY26. He stated that within those 42 projects, there were about 12 that would be in construction, 14 projects in design, and about 16 projects in the planning phase. He stated that with the extended projects, they extended the Avon to Pantops water main, the Beaver Creek Dam modifications, and the Beaver Creek raw water pump station -- with an oxygenation system discussed as part of the project, but deleted now for budgetary reasons. He stated that the FY20-24 CIP was $54.4 million less than the current FY19-23 CIP, with the goal of leveling costs to all customers.

Mr. Mawyer stated that the objectives in the CIP were to focus on the three largest treatment plants, to ensure they would be renovated and upgraded -- with South Rivanna and Observatory expected to go into construction around December or January and designs being finished now. He stated that they have an emphasis on existing facilities: Sugar Hollow Dam, South Rivanna Dam gate repairs, Schenk’s Branch still in the plan to get the sewer line replaced, work in Crozet and the Albemarle-Berkley demolition for a small sewer facility near Albemarle High School that hadn’t been used that was an eyesore and safety concern. He noted that there were also wastewater improvements and repairs on the Moore’s Creek plant, with a focus on redundancy and resiliency in facilities such as the Birdwood Golf Course water main, which is a part of the South Rivanna to Ragged Mountain Reservoir pipeline -- and they continue to work on those easements. He stated there was a project to add a second crossing of the South Rivanna River and extend piping north of Route 29 to the Airport Road area, and to build the Airport Road pump station on the property acquired in 2018.
Mr. Mawyer reported that regulatory compliance was also a big part of the program and they were trying to eliminate any wastewater overflows with the Crozet Flow Equalization Tank, and they have a need at the North Rivanna Water Treatment Plant to relocate a wastewater lagoon. He stated that there were needs in Scottsville and security enhancements in many of Rivanna’s facilities. He stated that they were doing a lot of master planning for the finished water system, with community water demand and safe yield from reservoirs to be completed in the current calendar year. He stated that they were working on a plan of the next phase of wastewater improvements at the Moore’s Creek plant. He explained that the Albemarle Berkeley Pump Station was part of the Albemarle-Berkeley Basin, a small pump station that served Albemarle, Greer, Ivy and Jouett schools, and that needed to be replaced.

Mr. Mawyer stated that Rivanna was also looking at its total asset management software program, getting a handle on available assets and whether they needed to be maintained or replaced so they could make predictive models and budgets with good confidence of what was coming up. He noted that they were also working on an IT Master Plan, as Ms. McIwee had mentioned, to ensure that as they acquired technology it was able to be integrated with existing technology and was open architecture so it could be used enterprise-wide.

Mr. Mawyer stated that the major projects as mentioned were included in the CIP, and there was a cost of about $43 million to renovate the three water treatment plants -- with a small amount of additional capacity, 2.3 MGD at Observatory, and it doubled the capacity at Crozet from 1 to 2 MGD in treatment capacity. He noted that there was no additional treatment capacity in the South Rivanna renovation project. He stated that the Sugar Hollow Dam gate was a rubber bladder gate at the top of the dam that was over 20 years old and needed to be replaced, and that work would likely happen in the summer of 2020, with design and planning to take place in 2019.

Mr. Mawyer stated that related to issues with the gates at the South Rivanna Dam not closing properly when they had the drought, they had a project of $900K to be planned in 2019 and executed in the summer of 2020 to repair the gates. He presented an image of the South Rivanna Water Treatment Plant, stating that they would bore under the river and install a second river crossing pipe. He stated that as they were trying to get treated water into the north zone, Forest Lakes, etc., they had one pipe that got it there -- and if that had a problem, it would present a problem in getting water to that area -- so this second pipe created redundancy.

Mr. Mawyer stated that there was a relatively new pipe Rivanna installed with the Route 29 road improvements a few years earlier, with the North Rivanna Transmission Main taking the water from the north along Berkmar Drive and Airport Road, with a new Route 29 Pump Station to be located near the Hollymead Town Center. He stated that initially there would be a pumping station on the site, with two water storage tanks in the future at ground level, about 40 feet tall. The tanks would provide fire flow storage because as growth occurred in that area, they needed capacity to serve those customers and deal with fire requirements.

Mr. Mawyer reported that at North Rivanna Water Treatment Plant, there was a backwash lagoon so when they backwash the filters to take the sediment and other products out, it went into the lagoon -- but when they had a big storm like they did in 2018 the North Rivanna River
rose and overflowed the lagoon and washed the backwash material out. He stated that the health department was not happy with that, so Rivanna would have to rebuild the lagoon and build a tank rather than an open pond for that lagoon.

He stated that in Crozet, they had to build a wastewater flow equalization tank, and he presented an image of what it would look like with a pumping station and storage tank. He stated that when it rained and rainwater found its way into the sewer system instead of overcharging the sewer system and having overflows, it took the peaks into the tank and held them until the storm and the flow had decreased -- then they would be put back into the pipe.

Mr. Mawyer reported that they had completed a vulnerability assessment in 2017, and there was new legislation passed in 2018 -- the America's Water Infrastructure Act -- which required an updating of the assessment. He stated that this would build features into construction projects for security, such as cameras, fencing, lighting, signs, door locks, etc., to help improve security at all of their facilities.

He stated that to help balance their budget, Rivanna had extended three projects, including the Beaver Creek Dam modifications and pump station -- with $10 million in FY20-24 but $13 million pushed out of the five-year window to decrease the amount of money financed through customers in the first five years. He stated they had extended that project and had done the same with the Avon to Pantops Water Main, with $5 million in the first five years but $8 million pushed beyond that to help level the budget.

Mr. Mawyer reported that the Ragged Mountain Reservoir to Observatory Water Treatment Plant raw water line project had pipes from the reservoir to the treatment plant that were approximately 100 years old. He stated that they had planned to start work on those in 2021 and get them replaced somewhat concurrently with the renovations to Observatory Treatment Plant, but they had deferred that work until 2026, which pushed $7.5 million out of the five years.

Dr. Palmer expressed concern about this particular move because the lines were so old, stating that they would have a beautiful new treatment plant with expanded capacity, a brand new reservoir, then a 100-year-old and 70-year-old line going from Ragged Mountain to it, with two ancient pump stations. She stated that she had met with Mr. O'Connell and asked if they could have some further discussion about including some things in their budget, and he had agreed to take another look. Dr. Palmer noted that it was essentially maintenance and replacement, with a small portion being increased capacity, adding that they expected this with Observatory Treatment Plant upgrades.

Ms. Galvin asked why Rivanna thought they could defer it.

Mr. Mawyer responded that there were no customers on this line, so if they had a break it was not a crisis to get them fixed right away -- but they are 100 years old, so they were rolling the dice on how long they would really last. He added that they focused on putting money into the treatment plants in the first five years, starting out with rate increases at over 12% with the ACSA and 6% with the City, and they had asked Rivanna to look for ways to reduce the cost.
increases. He noted that they had a lot of discussion with staff about priorities, and they did a
great job going back and reconsidering the connectivity between different projects.

Mr. Mawyer stated they had upgraded the reservoir with a new dam, they had raw water they
needed to get to the treatment plant, which was going to be upgraded. He stated that on the
finished water side, they needed to upgrade piping. He added that it was a challenge to do that all
at the same time, so they were trying to do pieces of the system with some strategies.

Ms. Galvin asked if they could translate this into cost per ratepayer.

Mr. Mawyer stated that Rivanna could not do that. Those costs must come from the Albemarle
County Service Authority and the City.

Ms. Galvin stated that the City needed the information because there were other things the City
needed in the local budget, and if they were raising taxes in other ways, it was important to know
what the implications of this were.

Mr. Gaffney asked how far out they were pushing this.

Mr. Mawyer responded that completion of the project was pushed out four years from 2026 to
2030, but they were already getting the easements for the pipes and were meeting with VDOT
and the University. He stated that the funding would come in the budget in 2020 and go through
2030, with this being about an $18 million project with piping and the new pump station.

Dr. Palmer asked if there was an estimate as to what was saved from bundling the treatment plant
work at the same time, in terms of cost savings.

Mr. Mawyer responded that it was the strategy they had talked about with the value engineering
discussion for the South Rivanna and Observatory Treatment Plants, -- and the strategy for
procuring and budgeting was to do both projects/renovations at the same time from a bidding
standpoint. He stated that the work would then be phased, with South Rivanna first, then
Observatory. He stated that there would be the same contractor, with the project in the $30
million range and possible discounts secured from a larger contractor instead of using two
different ones. Mr. Mawyer stated that they wanted to keep the treatment plant project on track
and enjoy the benefits of both plant projects at once, with the heart of the system upgraded -- and
if there were a problem at South Rivanna, they could still use the capacity as much as possible
out of Observatory.

Mr. Mawyer mentioned that the ACSA cost increase was 8.9% currently, with 9.5% in the first
year -- but every year, the cost increase would be higher than it would have been if they moved
the projects back. He stated that if they put the $18 million back into the five years, it would put
the ACSA into the 10% increase range, and similar for the City.

He also noted that Rivanna had talked about putting an addition on the Administrative building
for additional staff who had been hired, but that project and some Moore’s Creek plant projects,
had been delayed. He stated that the CIP for FY20-24 was at $99.5 million, and there was a
similar amount of CIP planned for 15 years -- so there was not a huge bubble in the CIP they
were working through right now, and they were trying to level for the five-year period with $254
million over the next 15 years.

Mr. Mawyer reported that within the $99.5 million is $60 million for water, $17 million for
wastewater, and $22 million for non-urban projects that the ACSA funds. He stated that they had
paid for $2.9 million but had $35 million to be financed with debt proceeds and $6.7 million in
cash, with another $7.5 million planned for more than $13 million in reserve funds to be moved
for the CIP, representing 14% of the cost and debt funding 85% of the cost.

Mr. Mawyer stated that for FY20, Rivanna projected a 3.2% increase in costs for the City based
on the $99 million CIP; then for the next four years, they would vary between 6 and 7%. He
stated that they projected an 8.9% cost increase for the ACSA this year, with rate increases
ranging 8.5% and 8.8% for the following four years.

Mr. Gaffney asked if it was up around 12% fully funded.

Mr. Mawyer responded that they had 56 projects and a $145 million CIP when they started this
year’s budget, and at the time it would be 11.9% to the ACSA and 5.8% to the City. He stated
that the ACSA asked them to reconsider and reevaluate strategies, so Rivanna put together six
alternatives and came up with the current proposed CIP of $99.5 million -- with about 42
projects to be worked on and 14 to be deferred.

Mr. Wood stated that he had provided the same information but summarized differently, and the
City had a 3.2% increase in 2020, with the ACSA having 8.9% in 2020 -- including all operating
and capital increases. He stated the City costs were projected to increase from 3.2 – 6.5% over
the next five years to fund the CIP as presented, and the ACSA began with 8.5%-8.8% over the
period. He noted that regarding the impact of moving the projects back up into the five-year plan,
the City would have a 3.9% increase in the first year but that continued to climb as the cost of the
debt to fund those projects increased, ending at an 8.8% increase to ACSA. He stated that
without deferring some of the projects, the increase to ACSA would go over 10%, which they
had hoped to avoid, which was why they pushed them into the second and third five year
periods.

Mr. Mawyer reiterated that the three major treatment plants and other projects were the CIP
priorities, and there had been a lot of enthusiasm over the past several years about identifying the
Authority’s needs. He stated that they were still doing a lot of work within the $99 million over
five years, and $254 million over the next 15 years total.

9. OTHER ITEMS FROM BOARD/STAFF NOT ON AGENDA

There was none presented.

10. CLOSED MEETING

There was no closed meeting held.

11. ADJOURNMENT
Dr. Palmer moved to adjourn the meeting. Ms. Galvin seconded the motion, which passed 5-0. Mr. O’Connell was absent from the meeting and the vote. Mr. Murphy was absent from the vote.

The RWSA Board adjourned its meeting at 3:40 p.m.

Respectfully submitted,

[Signature]

Mr. Jeff Richardson
Secretary-Treasurer