

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 Tungate

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 17years, Mr. Perkins has demonstrated leadership in his field and has been a valuable resource to the Authority and its employees;

47 WHEREAS, Mr. Perkins's understanding of the Authority's operation and dedication and
48 loyalty to the Authority has positively impacted the Authority, its customers and its employees;

49 WHEREAS, the Rivanna Water and Sewer Authority Board of Directors is most grateful
50 for the professional and personal contributions Mr. Perkins has provided to the Rivanna Water
51 and Sewer Authority and to its customers and its employees;

52 NOW, THEREFORE, BE IT RESOLVED that the Rivanna Water and Sewer Authority
53 Board of Directors recognizes, thanks and commends Mr. Perkins for his distinguished service,
54 efforts and achievements as a member of the Rivanna Water and Sewer Authority, and presents
55 this Resolution as a token of esteem, with its best wishes in his retirement.

56 BE IT FURTHER RESOLVED that this Resolution be entered upon the permanent
57 Minutes of the Rivanna Water and Sewer Authority.

58
59 **Dr. Palmer moved to approve the resolution as presented. Ms. Galvin seconded the motion,**
60 **which passed 6-0. Mr. O'Connell was absent from the meeting and the vote.**

61
62 **4. EXECUTIVE DIRECTOR'S REPORT**

63
64 Mr. Mawyer reported that Rivanna had recently hosted safety training for confined space entry
65 and hired a trainer from PVCC to train Rivanna staff, with City and ACSA personnel invited to
66 attend, which some did. He stated that they would also be holding lockout/tagout training that
67 focuses on how to shut down equipment properly when working on it so you don't get
68 electrocuted, as well as further fall protection training.

69
70 Mr. Mawyer reported that work continued on the Birdwood waterline and presented a few
71 pictures of the pipe installation, with the inspector telling him earlier in the day that there had
72 been 700 feet installed thus far. He thanked Ms. Simpson for her work in keeping the project
73 moving. He stated that Ms. Fort and other staff had been meeting with the UVA Foundation and
74 VDOT, as well as City staff, and with the Albemarle County School Board on easements for the
75 South Rivanna to Ragged Mountain raw water line. He noted that they would need easements for
76 the City's properties at Ragged Mountain.

77
78 Mr. Mawyer stated that Rivanna was working with UVA Facilities on the Observatory Water
79 Treatment Plant lease, and Mr. Krueger had worked to update the documents, which were ready
80 to be returned to UVA for the next round of discussions and finalization of the terms and
81 conditions of the lease. He stated this would be another 99-year lease, if approved, and there was
82 also a lease on a pump station and an easement on all the piping on the Grounds.

83
84 Mr. Mawyer stated that staff would present the operating budget at the March meeting, with
85 public hearings scheduled in May for the CIP and the FY20 budget.

86
87 Mr. Mawyer stated that they continued to try to have community outreach from water and sewer,
88 and Mr. Tungate and Ms. McIlwee had taken about 60 elementary school students around the
89 plant and showed them what wastewater was all about, with a presentation also given in Crozet.

90
91 He stated that on February 28, Rivanna would be hosting the Northwest Central Virginia Utility
92 Managers networking meeting, spurred by the recent water incident in Louisa. He explained that

93 Rivanna took a swath that included northwest Central Virginia, north of Richmond, and invited
94 all the utilities in the area to come and network -- with Amherst, Augusta, Culpeper, Louisa, and
95 other localities attending.

96
97 Mr. Gaffney requested that in future reports, Mr. Mawyer include how many people outside of
98 Rivanna came for safety training.

99
100 Mr. Mawyer agreed to do so.

101
102 **5. ITEMS FROM THE PUBLIC**

103 There were no items from the public.

104
105 **6. RESPONSES TO PUBLIC COMMENTS**

106 There were no responses to public comments.

107
108 **7. CONSENT AGENDA**

109 *a. Staff Report on Finance*

110
111 *b. Staff Report on Ongoing Projects*

112
113 *c. Staff Report on Operations*

114
115 **Dr. Palmer moved to approve the Consent Agenda as presented. Ms. Galvin seconded the**
116 **motion, which passed 6-0. Mr. O'Connell was absent from the meeting and the vote.**

117
118 **8. OTHER BUSINESS**

119
120 *(JOINT SESSION WITH THE RSWA)*

121
122 The Rivanna Solid Waste Authority Board of Directors reconvened its meeting and joined the
123 RWSA Board meeting at 3:02 p.m.

124
125 *a. Presentation: Quarterly Strategic Plan Update; Katie McIlwee, Executive*
126 *Coordinator and Communications Manager*

127
128 Ms. McIlwee reported that this was staff's third update to the Board and the first quarter update
129 for 2019. She reminded them that the Strategic Plan had 6 goals, 12 strategies, and 78 tactics --
130 with the only change being that Mr. Tungate was now the sole goal champion for Operational
131 Optimization. She stated that according to Strategy Blocks -- the software program used to track
132 progress-- the progress was 79%, slightly behind the goal of 81%.

133
134 Ms. McIlwee reported that Workforce Development finished the annual staffing needs
135 assessment and recommendations had been made to be included in this year's budget and
136 coordination with PVCC for training for various topics such as safety and operator training
137 continues. She stated that they continued to draft the individual development plans, which would

138 be rolled out next and would tie into performance reviews. She noted that they were also
139 reviewing pay scale adjustments and the individual development plan with the leadership team.
140

141 Ms. McIlwee reported that Operational Optimization has hired a consultant to do a safety master
142 plan; security systems at South Rivanna and Crozet Water Treatment Plants had been upgraded;
143 and the corrosion inhibitor study had also been completed, with review of the recommendations
144 from that study to begin along with implementation and completion of the safety master plan.
145

146 Mr. Mawyer commented that staff would have a presentation for the Board in March on the
147 corrosion inhibitor study.
148

149 Ms. McIlwee stated that the Communication and Collaboration Goal Team recently rolled out
150 the employee portal, which was an internal communication platform located within the website
151 for offsite employees, which can be accessed from a computer or mobile device. The Portal
152 provides basic information such as health insurance or leave forms. She stated that she had
153 analyzed web statistics to get an idea of which pages got the most usage, and she also removed
154 about 10 outdated or blank pages.
155

156 Ms. McIlwee reported that their next steps were to continue to coordinate with the City, County,
157 ACSA, and Rivanna Conservation Alliance on the "RiverFest" festival to take place in May. She
158 stated that the City had moved its 5K to the event, and the Alliance was doing a regatta race at
159 the same time, which had become a much larger festival.
160

161 She stated that the IT Master Plan was wrapping up and they were looking at ways to increase
162 internal communication platforms and possibly make the employee portal more extensive or
163 move to a different type of platform. She stated that they would also reexamine records
164 management protocols.
165

166 Ms. McIlwee reported that the Environmental Stewardship Goal Team added an environmental
167 tip to the Rivanna Review, a bi-monthly employee newsletter and was looking at topics to
168 include in the employee portal. She stated that they have also identified and requested funding
169 for green initiatives, and were working with her to coordinate on RiverFest, as well as
170 coordinating a Rivanna employee stream cleanup -- most likely for Moore's Creek -- in
171 coordination with the Rivanna Conservation Alliance.
172

173 Ms. Palmer stated that one of the issues that generated complaints was haulers not covering the
174 back of their loads, which led to a lot of roadside trash and littering concerns -- and possibly
175 RSWA's education to haulers could include an explanation of this issue.
176

177 Ms. McIlwee reported that Solid Waste Services had completed the Master Plan, which was
178 presented to the RSWA Board earlier in the meeting. She stated that they had reduced the tipping
179 fees on MSW and CDD, and they have researched the possibility of being open on Mondays and
180 after Board approval would begin implementation of the expanded operating schedule. She
181 stated that they would begin advertising that Ivy would be open on Mondays starting March 18,
182 2019, and that would also include expanded recycling services at the Ivy MUC.
183

184 Ms. McIlwee reported that with Infrastructure and Master Planning, the first stages of the asset
185 management plan had been completed -- including the awareness training and program
186 development workshops. She stated that they had worked with the GIS coordinator to organize
187 the current asset and information and would continue to organize it and develop a matrix to track
188 additional master plan needs.

189
190 Mr. Henry asked for a copy of the PowerPoint.

191
192 Mr. Gaffney requested a brief update on RiverFest at their next meeting.

193
194 The Rivanna Solid Waste Authority Board of Directors closed its meeting at 3:12 p.m.

195
196 *b. Presentation: Proposed CIP FY 2020–2024; Bill Mawyer, Executive Director*

197
198 Mr. Mawyer presented the CIP for the next five years and thanked staff for their work, noting
199 that Mr. Schiller, Mr. Wood, and Ms. Whitaker had worked extensively on the CIP. He stated
200 that they had met with Mr. O’Connell several times and with Ms. Hildebrand. He stated that
201 while this was capital improvement, they also had to draft through the operating budget to meld
202 the two things -- because the bottom line was what the cost increases were to the two RWSA
203 customers.

204
205 Mr. Mawyer reported that the FY20-24 CIP totaled \$99.5 million and included about 39 projects
206 to be completed during those five years, as well as three additional projects to be worked on
207 during the five years but which wouldn’t be completed as they extended to FY26. He stated that
208 within those 42 projects, there were about 12 that would be in construction, 14 projects in design,
209 and about 16 projects in the planning phase. He stated that with the extended projects, they
210 extended the Avon to Pantops water main, the Beaver Creek Dam modifications, and the Beaver
211 Creek raw water pump station -- with an oxygenation system discussed as part of the project, but
212 deleted now for budgetary reasons. He stated that the FY20-24 CIP was \$54.4 million less than
213 the current FY19-23 CIP, with the goal of leveling costs to all customers.

214
215 Mr. Mawyer stated that the objectives in the CIP were to focus on the three largest treatment
216 plants, to ensure they would be renovated and upgraded -- with South Rivanna and Observatory
217 expected to go into construction around December or January and designs being finished now.
218 He stated that they have an emphasis on existing facilities: Sugar Hollow Dam, South Rivanna
219 Dam gate repairs, Schenk’s Branch still in the plan to get the sewer line replaced, work in Crozet
220 and the Albemarle-Berkley demolition for a small sewer facility near Albemarle High School
221 that hadn’t been used that was an eyesore and safety concern. He noted that there were also
222 wastewater improvements and repairs on the Moore’s Creek plant, with a focus on redundancy
223 and resiliency in facilities such as the Birdwood Golf Course water main, which is a part of the
224 South Rivanna to Ragged Mountain Reservoir pipeline -- and they continue to work on those
225 easements. He stated there was a project to add a second crossing of the South Rivanna River
226 and extend piping north of Route 29 to the Airport Road area, and to build the Airport Road
227 pump station on the property acquired in 2018.

228

229 Mr. Mawyer reported that regulatory compliance was also a big part of the program and they
230 were trying to eliminate any wastewater overflows with the Crozet Flow Equalization Tank, and
231 they have a need at the North Rivanna Water Treatment Plant to relocate a wastewater lagoon.
232 He stated that there were needs in Scottsville and security enhancements in many of Rivanna's
233 facilities. He stated that they were doing a lot of master planning for the finished water system,
234 with community water demand and safe yield from reservoirs to be completed in the current
235 calendar year. He stated that they were working on a plan of the next phase of wastewater
236 improvements at the Moore's Creek plant. He explained that the Albemarle Berkeley Pump
237 Station was part of the Albemarle-Berkeley Basin, a small pump station that served Albemarle,
238 Greer, Ivy and Jouett schools, and that needed to be replaced.

239
240 Mr. Mawyer stated that Rivanna was also looking at its total asset management software
241 program, getting a handle on available assets and whether they needed to be maintained or
242 replaced so they could make predictive models and budgets with good confidence of what was
243 coming up. He noted that they were also working on an IT Master Plan, as Ms. McIlwee had
244 mentioned, to ensure that as they acquired technology it was able to be integrated with existing
245 technology and was open architecture so it could be used enterprise-wide.

246
247 Mr. Mawyer stated that the major projects as mentioned were included in the CIP, and there was
248 a cost of about \$43 million to renovate the three water treatment plants -- with a small amount of
249 additional capacity, 2.3 MGD at Observatory, and it doubled the capacity at Crozet from 1 to 2
250 MGD in treatment capacity. He noted that there was no additional treatment capacity in the
251 South Rivanna renovation project. He stated that the Sugar Hollow Dam gate was a rubber
252 bladder gate at the top of the dam that was over 20 years old and needed to be replaced, and that
253 work would likely happen in the summer of 2020, with design and planning to take place in
254 2019.

255
256 Mr. Mawyer stated that related to issues with the gates at the South Rivanna Dam not closing
257 properly when they had the drought, they had a project of \$900K to be planned in 2019 and
258 executed in the summer of 2020 to repair the gates. He presented an image of the South Rivanna
259 Water Treatment Plant, stating that they would bore under the river and install a second river
260 crossing pipe. He stated that as they were trying to get treated water into the north zone, Forest
261 Lakes, etc., they had one pipe that got it there -- and if that had a problem, it would present a
262 problem in getting water to that area -- so this second pipe created redundancy.

263
264 Mr. Mawyer stated that there was a relatively new pipe Rivanna installed with the Route 29 road
265 improvements a few years earlier, with the North Rivanna Transmission Main taking the water
266 from the north along Berkmar Drive and Airport Road, with a new Route 29 Pump Station to be
267 located near the Hollymead Town Center. He stated that initially there would be a pumping
268 station on the site, with two water storage tanks in the future at ground level, about 40 feet tall.
269 The tanks would provide fire flow storage because as growth occurred in that area, they needed
270 capacity to serve those customers and deal with fire requirements.

271
272 Mr. Mawyer reported that at North Rivanna Water Treatment Plant, there was a backwash
273 lagoon so when they backwash the filters to take the sediment and other products out, it went
274 into the lagoon -- but when they had a big storm like they did in 2018 the North Rivanna River

275 rose and overflowed the lagoon and washed the backwash material out. He stated that the health
276 department was not happy with that, so Rivanna would have to rebuild the lagoon and build a
277 tank rather than an open pond for that lagoon.

278
279 He stated that in Crozet, they had to build a wastewater flow equalization tank, and he presented
280 an image of what it would look like with a pumping station and storage tank. He stated that when
281 it rained and rainwater found its way into the sewer system instead of overcharging the sewer
282 system and having overflows, it took the peaks into the tank and held them until the storm and
283 the flow had decreased -- then they would be put back into the pipe.

284
285 Mr. Mawyer reported that they had completed a vulnerability assessment in 2017, and there was
286 new legislation passed in 2018 -- the America's Water Infrastructure Act -- which required an
287 updating of the assessment. He stated that this would build features into construction projects for
288 security, such as cameras, fencing, lighting, signs, door locks, etc., to help improve security at all
289 of their facilities.

290
291 He stated that to help balance their budget, Rivanna had extended three projects, including the
292 Beaver Creek Dam modifications and pump station -- with \$10 million in FY20-24 but \$13
293 million pushed out of the five-year window to decrease the amount of money financed through
294 customers in the first five years. He stated they had extended that project and had done the same
295 with the Avon to Pantops Water Main, with \$5 million in the first five years but \$8 million
296 pushed beyond that to help level the budget.

297
298 Mr. Mawyer reported that the Ragged Mountain Reservoir to Observatory Water Treatment
299 Plant raw water line project had pipes from the reservoir to the treatment plant that were
300 approximately 100 years old. He stated that they had planned to start work on those in 2021 and
301 get them replaced somewhat concurrently with the renovations to Observatory Treatment Plant,
302 but they had deferred that work until 2026, which pushed \$7.5 million out of the five years.

303
304 Dr. Palmer expressed concern about this particular move because the lines were so old, stating
305 that they would have a beautiful new treatment plant with expanded capacity, a brand new
306 reservoir, then a 100-year-old and 70-year-old line going from Ragged Mountain to it, with two
307 ancient pump stations. She stated that she had met with Mr. O'Connell and asked if they could
308 have some further discussion about including some things in their budget, and he had agreed to
309 take another look. Dr. Palmer noted that it was essentially maintenance and replacement, with a
310 small portion being increased capacity, adding that they expected this with Observatory
311 Treatment Plant upgrades.

312
313 Ms. Galvin asked why Rivanna thought they could defer it.

314
315 Mr. Mawyer responded that there were no customers on this line, so if they had a break it was
316 not a crisis to get them fixed right away -- but they are 100 years old, so they were rolling the
317 dice on how long they would really last. He added that they focused on putting money into the
318 treatment plants in the first five years, starting out with rate increases at over 12% with the
319 ACSA and 6% with the City, and they had asked Rivanna to look for ways to reduce the cost

320 increases. He noted that they had a lot of discussion with staff about priorities, and they did a
321 great job going back and reconsidering the connectivity between different projects.

322
323 Mr. Mawyer stated they had upgraded the reservoir with a new dam, they had raw water they
324 needed to get to the treatment plant, which was going to be upgraded. He stated that on the
325 finished water side, they needed to upgrade piping. He added that it was a challenge to do that all
326 at the same time, so they were trying to do pieces of the system with some strategies.

327
328 Ms. Galvin asked if they could translate this into cost per ratepayer.

329
330 Mr. Mawyer stated that Rivanna could not do that. Those costs must come from the Albemarle
331 County Service Authority and the City.

332
333 Ms. Galvin stated that the City needed the information because there were other things the City
334 needed in the local budget, and if they were raising taxes in other ways, it was important to know
335 what the implications of this were.

336
337 Mr. Gaffney asked how far out they were pushing this.

338
339 Mr. Mawyer responded that completion of the project was pushed out four years from 2026 to
340 2030, but they were already getting the easements for the pipes and were meeting with VDOT
341 and the University. He stated that the funding would come in the budget in 2020 and go through
342 2030, with this being about an \$18 million project with piping and the new pump station.

343
344 Dr. Palmer asked if there was an estimate as to what was saved from bundling the treatment plant
345 work at the same time, in terms of cost savings.

346
347 Mr. Mawyer responded that it was the strategy they had talked about with the value engineering
348 discussion for the South Rivanna and Observatory Treatment Plants, -- and the strategy for
349 procuring and budgeting was to do both projects/renovations at the same time from a bidding
350 standpoint. He stated that the work would then be phased, with South Rivanna first, then
351 Observatory. He stated that there would be the same contractor, with the project in the \$30
352 million range and possible discounts secured from a larger contractor instead of using two
353 different ones. Mr. Mawyer stated that they wanted to keep the treatment plant project on track
354 and enjoy the benefits of both plant projects at once, with the heart of the system upgraded -- and
355 if there were a problem at South Rivanna, they could still use the capacity as much as possible
356 out of Observatory.

357
358 Mr. Mawyer mentioned that the ACSA cost increase was 8.9% currently, with 9.5% in the first
359 year -- but every year, the cost increase would be higher than it would have been if they moved
360 the projects back. He stated that if they put the \$18 million back into the five years, it would put
361 the ACSA into the 10% increase range, and similar for the City.

362
363 He also noted that Rivanna had talked about putting an addition on the Administrative building
364 for additional staff who had been hired, but that project and some Moore's Creek plant projects,
365 had been delayed. He stated that the CIP for FY20-24 was at \$99.5 million, and there was a

366 similar amount of CIP planned for 15 years -- so there was not a huge bubble in the CIP they
367 were working through right now, and they were trying to level for the five-year period with \$254
368 million over the next 15 years.

369
370 Mr. Mawyer reported that within the \$99.5 million is \$60 million for water, \$17 million for
371 wastewater, and \$22 million for non-urban projects that the ACSA funds. He stated that they had
372 paid for \$2.9 million but had \$35 million to be financed with debt proceeds and \$6.7 million in
373 cash, with another \$7.5 million planned for more than \$13 million in reserve funds to be moved
374 for the CIP, representing 14% of the cost and debt funding 85% of the cost.

375
376 Mr. Mawyer stated that for FY20, Rivanna projected a 3.2% increase in costs for the City based
377 on the \$99 million CIP; then for the next four years, they would vary between 6 and 7%. He
378 stated that they projected an 8.9% cost increase for the ACSA this year, with rate increases
379 ranging 8.5% and 8.8% for the following four years.

380
381 Mr. Gaffney asked if it was up around 12% fully funded.

382
383 Mr. Mawyer responded that they had 56 projects and a \$145 million CIP when they started this
384 year's budget, and at the time it would be 11.9% to the ACSA and 5.8% to the City. He stated
385 that the ACSA asked them to reconsider and reevaluate strategies, so Rivanna put together six
386 alternatives and came up with the current proposed CIP of \$99.5 million -- with about 42
387 projects to be worked on and 14 to be deferred.

388
389 Mr. Wood stated that he had provided the same information but summarized differently, and the
390 City had a 3.2% increase in 2020, with the ACSA having 8.9% in 2020 -- including all operating
391 and capital increases. He stated the City costs were projected to increase from 3.2 – 6.5% over
392 the next five years to fund the CIP as presented, and the ACSA began with 8.5%-8.8% over the
393 period. He noted that regarding the impact of moving the projects back up into the five-year plan,
394 the City would have a 3.9% increase in the first year but that continued to climb as the cost of the
395 debt to fund those projects increased, ending at an 8.8% increase to ACSA. He stated that
396 without deferring some of the projects, the increase to ACSA would go over 10%, which they
397 had hoped to avoid, which was why they pushed them into the second and third five year
398 periods.

399
400 Mr. Mawyer reiterated that the three major treatment plants and other projects were the CIP
401 priorities, and there had been a lot of enthusiasm over the past several years about identifying the
402 Authority's needs. He stated that they were still doing a lot of work within the \$99 million over
403 five years, and \$254 million over the next 15 years total.

404
405 **9. OTHER ITEMS FROM BOARD/STAFF NOT ON AGENDA**

406 There was none presented.

407
408 **10. CLOSED MEETING**

409 There was no closed meeting held.

410
411 **11. ADJOURNMENT**

412
413 **Dr. Palmer moved to adjourn the meeting. Ms. Galvin seconded the motion, which passed**
414 **5-0. Mr. O'Connell was absent from the meeting and the vote. Mr. Murphy was absent**
415 **from the vote.**

416
417 The RWSA Board adjourned its meeting at 3:40 p.m.

418
419 Respectfully submitted,



Mr. Jeff Richardson
Secretary-Treasurer

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422
423
424