

RWSA BOARD OF DIRECTORS
Minutes of Regular Meeting
May 28, 2019

A regular meeting of the Rivanna Water & Sewer Authority (RWSA) Board of Directors was held on Tuesday, May 28, 2019 at 2:25 p.m. in the 2nd floor conference room, Administration Building, 695 Moores Creek Lane, Charlottesville, Virginia.

Board Members Present: Mike Gaffney, Gary O’Connell, Dr. Tarron Richardson, Kathy Galvin.

Board Members Absent: Lauren Hildebrand, Jeff Richardson, Dr. Liz Palmer.

Staff Present: Lonnie Wood, Jennifer Whitaker, Phil McKalips, David Rhoades, Steven Miller, Liz Coleman, Scott Schiller, Bill Morris, Victoria Fort, Dyon Vega, Austin Marrs, Andrea Terry, David Tungate, Michelle Simpson, Bill Mawyer, Katie McIlwee.

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

1. CALL TO ORDER

At 2:25 p.m., Mr. Gaffney opened the May 28, 2019 regular meeting of the Rivanna Water and Sewer Authority as a joint meeting with the Rivanna Solid Waste Authority.

2. OTHER BUSINESS

a. Presentation: Quarterly Strategic Plan Update – year one Wrap-Up; Goal Team Leaders

Ms. Katie McIlwee reminded the Board that they have had three previous updates and stated the champions of the six goal teams will present their year-end wrap ups, after which the Board may ask questions. She stated they have six goals and 12 strategies from which the goal teams have developed 78 tactics and they have completed 100% of what they had intended for year one.

Ms. McIlwee presented for the Communications and Collaboration goal team. She stated that over the last quarter they have continued to collaborate with IT and other members of the goal team to test and research different methods of increasing internal communication and Office 365 products and have also worked with Administration and IT to research a new document management workflow software. She stated they have completed the employee portal, enhanced the usability of the Rivanna website, and coordinated with Environmental Stewardship goal team on some community events, such as Imagine A Day Without Water and Riverfest, as well as a regional managers’ mixer, for which they brought in other utilities from the Central Virginia area, and team building events with the City and the Albemarle County Service Authority. She stated they also have quarterly internal employee team building engagements and a bi-monthly Rivanna employees’ newsletter.

47 Mr. O'Connell asked what the communications agreement among water partner agencies was about.

48
49 Ms. McIlwee explained that this stemmed from the initial tactic planning meetings when they were
50 deciding how to implement strategies and thought that an agreement was needed, though as they have
51 moved along they have realized that some of the tactics are not necessary. She stated this tactic was about
52 knowing who to speak with at the County, City, or ACSA with regards to communications or marketing
53 and working together, more than developing an actual agreement.

54
55 Ms. Betsy Nemeth, Manager of Human Resources, presented for the Workforce Development goal team.
56 She stated they have been busy working their strategy of developing a comprehensive staffing
57 classification and compensation plan and to conduct a training needs assessment and enhance the training
58 program. She noted that they recommend a pay grade scale adjustment as well as new positions for both
59 Authorities, which she noted are in the final draft of the Personnel Management Plan, which now is
60 combined for the two Authorities and has had language regarding standard operating procedures removed.
61 She stated they have conducted and continue to conduct training on CPR, ADAD, and leadership for
62 managers and certain operators, for which they have partnered with PVCC, which she characterized as an
63 amazing and terrific partner. She continued that last July 1st they implemented the recommendations of
64 the compensation plan salary survey conducted by Evergreen. She stated they have a Staffing Master Plan
65 which will be regularly evaluated and a Consolidated Personnel Management Plan.

66
67 Mr. David Tungate, Director of Operations, presented for the Operational Optimization goal team. He
68 stated their strategy is to continually evaluate, prioritize, and improve key business and operational
69 processes and to protect our workforce and the public by continually growing a culture of safety. He
70 reviewed recent activity, including completion of Phase 1 and the beginning of Phase 2 of the corrosion
71 inhibitor project, compliance with the American Water Infrastructure Act, by conducting a vulnerability
72 assessment for which they must demonstrate compliance by August 2020 and expect to be compliant by
73 next March, and continuing with the design of the South Rivanna Water Treatment Plant, which will use
74 updated technology and allow them to change some processes. He reviewed year one highlights, which
75 include the hiring of a consultant to conduct a safety master plan to look at how they do things on the
76 operations side, how they treat water and wastewater, and the equipment and processes. He stated they
77 have installed web-based security cameras at South Rivanna, Crozet, and Moores Creek.

78
79 Ms. Andrea Terry, Water Resources Manager, presented for the Environmental Stewardship goal team.
80 She stated that their strategies are to increase environmental engagement and designate resources to
81 support environmental outreach agreements. She stated they wanted to have an employee from each
82 division come and sit with them and talk about what Rivanna does that is good for the environment and
83 how they can engage with the community and partners to do this a little bit more. She stated the
84 committee has supported the Rivanna Riverfest, which she characterized as a great effort with Rivanna
85 Conservation Alliance and ACSA and a good collaborative opportunity. She stated they also conducted
86 stream cleanup on Moores Creek after which three employees asked to serve on the committee and now
87 serve. She stated they have catalogued a list of green activities, increased outside collaboration and will
88 continue to do so, and they plan to establish an environmental committee next year, which will meet bi-
89 monthly and consider ways to become more engaged.

90

91 Mr. Stewart expressed his thanks to Phil McKalips for taking part in the climate action team and stated
92 that he has been an incredible resource.

93
94 Mr. Phil McKalips, Director of Solid Waste, presented for the Solid Waste Services goal team. He stated
95 that when considering their strategies he considers what people want them to be and what the community
96 landscape is. He stated they feel they have set themselves up well to be able to communicate with
97 community partners such as haulers, UVA, the City and County, and the public, which can provide
98 feedback as to where they see needs. He stated they decided to open on Mondays after speaking with
99 haulers, which stimulated them to conduct cost modeling and which has been favorably received. He
100 explained that the idea to introduce composting resulted from dialog with representatives of UVA and the
101 Climate Action Committee. He reviewed ideas they have for next year, including optimization of existing
102 resources at McIntire and improving public outreach.

103
104 Mr. Gaffney emphasized that the strategic plan was a long time coming and has taken some time to be
105 developed, and stated that he is thoroughly impressed every time. He asked how it has helped Mr.
106 McKalips as well as others in the organization along the way.

107
108 Mr. McKalips replied that putting the idea of optimization on a piece of paper has pushed them to look at
109 things outside of the box and he feels they have utilized the process effectively.

110
111 Mr. Mawyer echoed Mr. McKalips' comment, adding that they are looking in every drawer and at every
112 policy and procedure to see if they can do things in a better way. He emphasized that the skillset and
3 knowledge of staff is important to be able to do this.

114
115 Mr. Scott Schiller, Engineering Manager, presented for the Infrastructure & Master Planning goal team.
116 He stated their two strategies are to implement an asset management program for the Authority and to
117 develop and maintain long-term master plans. He stated they have developed an internal asset
118 management policy, which can help dictate how the program proceeds and is part of the first phase of the
119 plan, which they focused on this year. He described this as a road map for what they want the plan to look
120 like, how it will be implemented over the next few years and indicated that, as part of the process, they
121 have had staff training workshops, performed a gap assessment on procedures, and are looking at business
122 process improvements and IT strategies.

123
124 Mr. Schiller stated they have developed an inventory of master plans to enable to determine if there are
125 projects that have been identified that still have to be done and to see which facilities or systems may
126 have gaps for which they don't have a master plan. He next reviewed year one highlights. He stated they
127 contracted with a nationally recognized consulting firm to guide them through the asset management
128 process, which he characterized as a great learning experience, and for both strategies they have begun to
129 organize internal assets, some of which will be included in the internal asset management program as they
130 move to the implementation phase, and which will allow them to identify some critical assets in the
131 Master Plan that may warrant their own master plans.

132
133 Ms. Galvin asked who the consulting firm is.

135 Mr. Schiller replied that it is GHD, based in Maryland.

136

137 Mr. Gaffney asked if there is a way to measure ways to increase the life of equipment and if the
138 consulting company can help with this.

139

140 Mr. Schiller replied that a lot of the asset management involves risk assessment and where to best apply
141 their efforts and they will answer questions about pieces of equipment to determine risk and consequence
142 of failure in order to apply efforts most effectively. He stated there could be opportunities to extend the
143 life of equipment through additional preventive maintenance or by having more spare parts in stock.

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145 Mr. Mawyer added that there are benefits in cost savings where they can proactively plan for replacement
146 rather than react when something breaks.

147

148 Ms. McIlwee stated that in year two some of the goal teams will be replacing members and inviting
149 additional employees to serve, the teams will develop new tactics, start new strategies, decide what needs
150 to roll forward and what is complete, and they will provide another update to the Board next quarter.

151

152 Ms. Galvin remarked that she understands the value of the strategic plan, described it as being crisp,
153 clean, concise, substantive, and can be used to enhance performance. She thanked them for taking it so
154 seriously and for implementing it so wholeheartedly.

155

156 Mr. Mawyer remarked that the strategic plan has given them guidance and direction.

157

158 Mr. McKalips remarked that it is helpful to have the strategic plan posted at work locations.

159

160 Mr. Mawyer stated that at the benefits and safety meeting they talked about the purpose and goals of the
161 strategic plan and have tried to keep it front and center for everyone.

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164 a. *Presentations; Lonnie Wood, Director of Finance and Administration*

165 i. *Personnel Management Plan Update*

166 ii. *FY 2020 Pay Scale Adjustment*

167 iii. *Virginia Retirement System Long Term Care Program*

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169 Mr. Wood stated they have come up with a new personnel management plan based on the combining of
170 existing plans and the elimination of some procedures. He noted that their payroll timesheet and
171 timekeeping process is manually driven, though they plan to go to an automated system as part of their IT
172 Master Plan, as their policies didn't fit with modern payroll and timekeeping processes. He continued that
173 they have gone to a blended overtime rate, which means that overtime is calculated weekly, whereas the
174 Authority has a bi-weekly pay schedule, which could result in two different overtime rates on one
175 paycheck. System changes they have made will allow them to do this and to bring the overtime policy
176 into the modern era and to meet all FLSA requirements. He stated they have added night differential pay
177 of 2% of base pay for water and wastewater operators that work a rolling 12 hour day/night shift, as this
178 had been identified in meetings with employees and is an incentive for employees to take this shift.

179

180 Mr. O'Connell asked if he has included the funding for that in the budget.

181

182 Mr. Wood replied that it will cost about \$16K and will be absorbed under normal vacancy turnover and,
183 should it run over, they can make up the difference in workman's compensation since they received a
184 better bid this year. He stated they have included a retirement benefit that mirrors what VRS Plan 1
185 employees receive in the old manual. The new policy enables hybrid employees to receive \$200 of sick
186 leave pay for each year of service up to a maximum of \$5K. He stated he will review a couple of other
187 notable policy changes. He stated the Wednesday before Thanksgiving will become a formal holiday and
188 they will make April 13, Thomas Jefferson's birthday, a floating holiday for which the Authority will be
189 open. He stated they have increased the tuition reimbursement of college credit courses from \$2,625 to
190 \$5,250, which is the IRS tax-exempt limit. He thanked Ms. Nemeth for her work on this.

191

192 Mr. Wood reminded the Board that in summer 2017, they instituted a salary survey along with the
193 compensation plan and that salary adjustments in 2018 were made based on the results, despite the fact
194 the data was probably a year old. He stated they utilized that year-old data and will now add a CPI-U
195 Index adjustment increase which could support a 5% increase, but which will not have a budget impact.

196

197 Dr. Richardson asked how they planned to keep the scale moving.

198

199 Mr. Wood replied that the Authority's policy mandates a salary survey every five years, though their goal
200 is to conduct this every three years, and in off years will look at the CPI-U increase.

201

202 Mr. Gaffney stated if they only did it once every five years, it would look like a huge jump.

203

204 Mr. Wood informed the Board that VRS offers a long-term care insurance program through political
205 subdivision employers, the last time political subdivisions could opt in was in 2010-2011, and the
206 Authority recommends they opt in this time, as this will not entail any cost to the Authority as employees
207 pay for 100% of the cost and it does not have to be deducted by payroll.

208

209 Dr. Richardson asked what the savings on overtime will be by calculating overtime pay on a weekly
210 basis.

211

212 Mr. Wood explained that under the current system, they consider holiday and unscheduled time pay to be
213 overtime pay, which is difficult to manage, and the new system will be easier to manage by separating out
214 what is truly overtime and allow them to adjust schedules to reduce overtime.

215

216 Dr. Richardson remarked that when a person takes off the second week of the pay period the costs jump if
217 overtime is calculated weekly and he thinks they will see cost savings.

218

219 Mr. Wood replied that he is hoping they will.

220

221 Ms. Galvin asked how often employees were evaluated.

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223 Mr. Wood replied that the evaluation period runs from April 1–March 30, so that the merit system can be
224 effective July 1, and enables them to have sufficient time to conduct evaluations, meet with employees,
225 and enter the information into the system.

226
227 Mr. Mawyer explained that employees are rated on a 1 to 3 scale and the 3% pool money approved by the
228 Board is distributed in accordance with the merit score.

229
230 Mr. Wood added that the pool of money for merit pay is limited and they have to wait until everyone has
231 been evaluated in order to calculate the merit pay for each employee.

232
233 **Ms. Galvin moved that the boards of the RSWA and RWSA approve the update of the Personnel**
234 **Management Plan, FY20 payroll scale adjustment, and Virginia Retirement System Long-Term**
235 **Care Insurance program. The motion was seconded by Mr. Oberdorfer and passed (5-0) by the**
236 **RSWA Board and (5-0) by the RWSA Board. Mr. Richardson and Dr. Palmer were absent from**
237 **the joint meeting and the vote.**

238
239 **The Rivanna Solid Waste Authority Board Meeting was adjourned at this time. At 3:01 p.m., Ms.**
240 **Galvin moved that the RSWA Board adjourn its meeting. The motion was seconded by Mr.**
241 **Oberdorfer and passed (5-0).**

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243 **3. ELECTION OF VICE-CHAIR**

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245 **Ms. Galvin moved to elect Dr. Richardson as Vice-Chair of the RWSA Board. Mr.**
246 **O’Connell seconded the motion, which passed unanimously (4-0). Ms. Hildebrand, Mr.**
247 **Richardson, and Dr. Palmer were absent from the meeting and the vote.**

248
249 **4. APPROVAL OF MINUTES**

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251 *a. Approval of April 2019 RWSA Board meeting minutes.*

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253 The Board deferred a vote on the April 2019 minutes until the June meeting because Dr.
254 Richardson had not been present at the meeting and thus could not vote.

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256 **5. RECOGNITION**

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258 *a. Government Finance Officers Association – Certificate of Achievement for Excellence in*
259 *Financial Reporting: Director of Finance, Mr. Lonnie Wood*

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261 Mr. Gaffney noted that receipt of this Certificate was acknowledged at the RSWA meeting.

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263 **6. EXECUTIVE DIRECTOR’S REPORT**

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265 Nothing Reported

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267 **7. Originally Item 9 c. on the agenda:**

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Presentation and Public Hearing: Rate Resolution Adoption, Approval of FY 2019 – 2020 Budget and FY 2020-2024 CIP: Bill Mawyer, Executive Director

Mr. Bill Mawyer presented. He reminded the Board that they discussed the budget and CIP in February and March. He noted that the budget is over \$36M, a \$2.9M increase over last year, which is split between an operating expense increase of \$1.7M and debt service of \$1.2M. He stated the operating expense increase represents a \$491K increase for the City and \$1.5M increase for Service Authority, and Rivanna will contribute \$667K from reserves to offset some of the expenses. He noted that 47% of the budget consists of bond debt service of \$17M, which is used to finance the CIP. He continued that personnel costs are \$8.5M, professional fees, utilities, insurance, and permits are almost \$4M, and \$6.7M is for chemicals, technology, and building and equipment repairs. He noted that much of the operating expense increase is for replacing the media in the filters of the granular activated carbon system at a budget cost of \$900K.

Mr. Mawyer listed the following new positions added to the budget: construction inspector and laboratory chemist. He stated bio-solids have been shipped to Waverly for which they have a \$128K increase. He stated they are trying to complete the wholesale meter project, which will add 28 meters that will need to be annually calibrated and maintained. He noted that they have reclassified a lab technician position as a chemist and will now have three chemists in the lab and four inspectors in the CIP group, for a total of 93.4 full-time equivalent (FTE) positions. He stated the \$1.2M increase in debt service is to fund projects including Birdwood water line, the Observatory water treatment upgrade, South Rivanna Water Treatment Plant upgrade, Ragged Mountain to Observatory pipe and pump station replacement, Crozet water treatment plant upgrade, and Beaver Creek Dam upgrade. He presented photos of some of the facilities. He stated they will build a flow equalization tank for Crozet, which will store wastewater to prevent system overflows when it rains.

Mr. Mawyer presented the proposed CIP budget for the next five years at \$97.2M for completion of 37 projects, including five that would extend to the next five-year cycle, which he stated is a significant decrease from \$153M in last year's CIP. He reminded the Board that these changes were made to level rates and mitigate costs to customers and to the Service Authority. He suggested they hold a public hearing on the wholesale rates charged to the City and to ACSA and asked the Board to approve the budget and CIP.

Mr. Gaffney opened the public hearing on the rates and related budget. As no member of the public came forward to speak Mr. Gaffney closed the public hearing.

Ms. Galvin moved that the Board adopt the rate resolution, approve the FY 20 Budget, and the FY 20–24 CIP. The motion was seconded by Mr. O'Connell and passed unanimously (4:0). Ms. Hildebrand, Mr. Richardson, and Dr. Palmer were absent from the meeting and the vote.

8. ITEMS FROM THE PUBLIC

314 There were none presented.

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316 **9. RESPONSES TO PUBLIC COMMENTS**

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318 There were no responses to public comments.

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320 **10. CONSENT AGENDA**

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322 a. *Staff Report on Finance*

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324 b. *Staff Report on Ongoing Projects*

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326 c. *Staff Report on Operations*

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328 d. *Sugar Hollow Dam – Rubber Crest Gate Replacement and Intake Tower Repairs –*
329 *Engineering Design, Bid, and Construction Phase Services*

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331 **The Board unanimously approved the consent agenda.**

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333 **11. OTHER ITEMS FROM BOARD/STAFF NOT ON AGENDA**

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335 There were none presented.

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337 **12. CLOSED MEETING**

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339 There was no closed meeting held.

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341 **13. ADJOURNMENT**

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343 **At 3:10 p.m., Ms. Galvin moved to adjourn the RWSA Board meeting. Mr. O’Connell**
344 **seconded the motion, which passed unanimously 4-0. Ms. Hildebrand, Mr. Richardson, and**
345 **Dr. Palmer were absent from the meeting and the vote.**

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348 Respectfully submitted,

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Mr. Jeff Richardson
Secretary-Treasurer