

RWSA BOARD OF DIRECTORS
Minutes of Regular Meeting
January 28, 2020

A regular meeting of the Rivanna Water and Sewer Authority (RWSA) Board of Directors was held on Tuesday, January 28, 2020 at 2:50 p.m. in the 2nd floor conference room, Administration Building, 695 Moores Creek Lane, Charlottesville, Virginia.

Board Members Present: Lauren Hildebrand, Dr. Liz Palmer, Jeff Richardson, Gary O’Connell, Mike Gaffney, Lloyd Snook.

Board Members Absent: Dr. Tarron Richardson.

Rivanna Staff Present: David Tungate, Lonnie Wood, Michelle Simpson, Austin Marrs, Andrea Terry, Victoria Fort, Jennifer Whitaker, Scott Schiller, Dr. Bill Morris, Dyon Vega, Katie McIlwee, Bill Mawyer.

Attorney(s) Present: Kurt Krueger.

1. CALL TO ORDER

Mr. Gaffney called the January 28, 2020 regular meeting of the Rivanna Water and Sewer Authority to order at 2:50 p.m.

2. MINUTES OF PREVIOUS BOARD MEETINGS

a. Minutes of Regular Board Meeting on December 17, 2019

Mr. Gaffney asked the board members if there were any questions or comments about the December 17, 2019 meeting and heard none.

Dr. Palmer moved that the board approve the minutes of the board meeting from December 17, 2019. The motion was seconded by Mr. O’Connell and passed unanimously (6-0). Dr. Richardson was absent from the meeting and the vote.

3. RECOGNITIONS

There were no recognitions.

4. EXECUTIVE DIRECTOR’S REPORT

Mr. Mawyer stated that RWSA continues to give tours to students and others who want to see the facility there at Moores Creek, as well as at other locations.

Mr. Mawyer stated that they are working on easements for the South Fork Rivanna Reservoir-to-Ragged Mountain Reservoir water line project. He stated that last month’s minutes stated they had made offers to 9 of 11 private property owners, and that now, they have made offers to 9 of 12 private property owners. He explained that the change was that one of the properties was previously owned by VDOT, and it had reverted back to a private owner and therefore it switched from the public ownership column to the private one. He stated that the number of

48 properties had not changed.

49

50 Ms. Hildebrand asked if this was left over from the Western Bypass project.

51

52 Mr. Mawyer replied yes. He stated that the consultants are moving forward with the effort.

53

54 Mr. Mawyer stated that they were moving forward with the Observatory Water Treatment Plant
55 lease and that they have made progress, particularly in the last few days. He stated that they
56 received comments back from UVA, and that he, Mr. Krueger, and Mr. Gaffney have worked on
57 them. He stated that they are getting closer to having a final lease for the Observatory Water
58 Treatment Plant.

59

60 Mr. Mawyer stated that there will be a used cooking oil facility provided at the McIntire
61 Recycling Center where residents, at no cost, can bring used cooking oil and place it in a
62 container. He stated that the container will then be taken by a vendor, and the products are reused
63 for animal feed or biofuels.

64

65 Mr. O'Connell thanked Mr. Mawyer for following up on this. He stated that grease is the biggest
66 problem in the sewer system.

67

68 Dr. Palmer stated that Dr. Morris had given a great presentation the month before about fatbergs.

69

70 Mr. Mawyer stated that next month, RWSA will begin its budgeting process with the Board and
71 present its FY 21-25 CIP. He stated that staff has been working with Ms. Hildebrand and Mr.
72 O'Connell as a subcommittee on that budget.

73

74 Dr. Palmer stated that on the easements for South Rivanna to Ragged Mountain Pipeline, Mr.
75 Mawyer had mentioned he was working with the County, City, County Schools, and VDOT. She
76 asked about UVA and the UVA Foundation.

77

78 Mr. Mawyer replied that he was counting UVA Foundation in the "private" column. He stated
79 they have a number of properties and that RWSA is working with them. He stated there is no
80 property for UVA on that part of the line, but that UVA does have a property when going from
81 Ragged Mountain to Observatory WTP and they will have to get easements from UVA for that
82 pipeline replacement project.

83

84 Dr. Palmer asked if they were actively engaging with UVA.

85

86 Mr. Mawyer replied that they were on all those projects.

87

88 **5. ITEMS FROM THE PUBLIC**

89 Mr. Gaffney opened the meeting to the public.

90

91 Mr. John Martin (White Hall District) noted the lack of members of the public present and that
92 he would like to talk to people in the community about that. He stated this is an important subject
93 matter, and that citizens should be more involved and interested.

94

95 Mr. Martin mentioned that the County's website is being redone. He stated that on the current
96 website, on the first page, there is a yellow box at the top that says, "Calendar." He stated that
97 clicking on that, it gives the month with all the meetings of the boards and commissions. He
98 stated that RWSA, RSWA, and ACSA meetings have never been listed, however. He stated that
99 all the people who could make that change were in the room. He stated that the same was true of
100 the City website, noting they do not list those meetings.

101

102 Mr. Snook stated that the City's website hardly listed any of the meetings. He stated that this
103 website was also in the process of being changed and that by March, a new version would be
104 rolled out.

105

106 Mr. Martin stated that the City is a partner with Rivanna, and that City residents are also
107 concerned. He suggested making the change to the County website and perhaps insert a link to
108 the City's website, as a County resident may want to see what is happening in the City. He stated
109 that clicking on the Rivanna meetings, perhaps it could include a link to the current agendas. He
110 stated that it would be a great convenience to members of the public to have that, and that he
111 believes there would be interest in having that.

112

113 Mr. Gaffney closed the public comment portion of the meeting.

114

115 **6. RESPONSES TO PUBLIC COMMENTS**

116 Dr. Palmer stated she just emailed the County's communications staff and cc'ed Mr. Richardson,
117 suggesting to put those meetings on the website's calendar.

118

119 **7. CONSENT AGENDA**

120 *a. Wholesale Metering Report – December 2019*

121

122 *b. Sole Source Determination and Award of Services Contract for Biosolids Disposal- McGill*
123 *Environmental*

124

125 *c. Award of Service Contract for Biosolids Transportation - Country Line, Inc.*

126

127 *d. Award of Service Contract for Granular Activated Carbon – Calgon Carbon*

128

129 Mr. O'Connell stated that he had mentioned to staff that apparently, some of the trailer loads,
130 when they are coming back, are empty, and that he would ask to explore bringing some compost
131 back that could either be provided to residents or parks. He stated that this would allow for reuse
132 of the material in the community instead of sitting in Waverly. He stated that some of it could be
133 bagged and some of it could be loose.

134

135 Mr. Gaffney asked if this was biosolids composting.

136

137 Mr. O'Connell stated that it was the result of that.

138

139 Mr. Mawyer replied yes. He stated that they take the biosolids to McGill.

140
141 Mr. O'Connell stated that it sounded as if it might be feasible to get compost back from that
142 process, and that Rivanna was exploring ways to possibly do that.

143
144 **Dr. Palmer moved that the Board approve the Consent Agenda. The motion was seconded**
145 **by Mr. O'Connell and passed unanimously (6-0). Dr. Richardson was absent from the**
146 **meeting and the vote.**

147
148 **7. OTHER BUSINESS**

149 *a. Presentation: Staff Report on Finance*

150 Mr. Lonnie Wood (Director of Finance) stated that RWSA has two main processes -- the
151 Operating Budget (which includes debt payment and debt service), and the five-year CIP.

152
153 Mr. Wood stated that the Operating Budget has two main areas, daily costs like maintenance
154 personnel, chemicals, and debt service cost is the other area. He stated that the charges are
155 separated into six main rate centers, or what are called "cost centers" on the Solid Waste side.

156
157 Mr. Wood stated that there are two urban rate centers that are shared by the two customers (City
158 Public Utilities and ACSA), and that there are four non-urban rate centers that are exclusively the
159 Service Authority. He stated that there are two main operating departments -- the Water
160 department, and the Wastewater department, and that the two urban rate centers are part of both
161 of those, so the City and County share those two.

162
163 Mr. Wood indicated to the Service Authority-only rate centers each have their own standalone
164 budget costs and rates.

165
166 Mr. Wood stated that for the urban cost centers, the operating rates were listed on the report for
167 water and wastewater, which are determined and charged on a cost-per-thousand-gallon basis.
168 He stated as the flows are produced, they are split out, based on the billing methodology, to each
169 customer.

170
171 Mr. Wood stated that for the debt service charges, which is basically like a mortgage payment,,
172 they can come up with a monthly payment, and so those are done on a monthly charge basis, not
173 on a flow basis.

174
175 Mr. Wood stated that the four non-urban rate centers are all on a monthly charge basis.

176
177 Mr. Wood presented last year's budget and the current budget versus actual for the Water
178 department and described the information within the report.

179
180 Mr. Wood indicated to a field called "Allocation Departments." He explained that they have six
181 rate centers and four support departments (Admin, Engineering, Maintenance, and Lab). He
182 stated that their costs each month get absorbed into the rate centers because they don't have a
183 way to charge revenue.

184

185 Mr. Wood indicated to the monthly charge and the expenses related to it. He explained that the
186 report included the principal, interest, reserve charges, and the estimated growth charge for the
187 CIP.

188
189 Mr. Wood stated that the five-year CIP is reviewed annually and that this process was currently
190 occurring. He stated that in terms of the CIP funding and how they estimate the future debt
191 service needs, they estimate that they will use 10% cash reserve on all projects. He stated that
192 this is written into the financial policies. He stated that anything remaining will be funded
193 through a debt issuance, through revenue bonds, and that this is usually timed on however
194 quickly or slowly projects are executed. He stated that they sometimes receive grant funds, such
195 as in 2009 when they received ENR grant funds, which helped defray bond issue costs.

196
197 Mr. Wood presented the current year's CIP, with the total (\$97 million). He stated that this total
198 is broken out by rate centers, shared projects (split between all four), non-urban water, and non-
199 urban wastewater.

200
201 Mr. Wood indicated to the percentage of cash-to-expense ratio (14%), explaining that this meant
202 they were doing better than the 10% target.

203
204 Mr. Wood stated that the Percentage of Funding in Place shows that of the \$97 million, they had
205 \$35 million in proceeds waiting to be spent on projects, cash available in the capital fund, or
206 work in progress that's been done in previous years. He stated that \$45 million of the \$97 million
207 is funded.

208
209 Mr. Wood presented the budget calendar for the current year for the CIP process, including the
210 water operating process and solid waste process. He stated that they always target May to be
211 adoption, and so at the May board meeting, there is a public hearing where the budget and
212 related rates are adopted. He stated that April and May are advertising (which includes twice in
213 the newspaper). He stated that March is when they will see Finance introduce the Operating and
214 Debt Service Budget. He stated that February is when they will see Finance introduce the CIP to
215 the Board.

216
217 Mr. Wood stated that financial reports are created each month. He stated that Finance provides a
218 memo that tries to explain some of the large variances, and that they present the flows
219 graphically. He stated that the six rate centers are presented separately, along with the four
220 support departments he mentioned earlier. He stated that the monthly report looks very similar to
221 the budget report, with a budget, budget year-to-date (the budget divided by six-twelfths, as it
222 was December), the actual, and the budget variance for each rate center.

223
224 Mr. Wood presented an example of what is reported for flows. He stated that for 2019, they
225 would see that wastewater flows were very high, and in 2018, they were very low. He stated that
226 wastewater flows can have as much as 80-90% variance at any given time comparing one year to
227 another, which makes it very difficult to predict the flow and therefore, the related revenue for
228 wastewater.

229

230 Mr. Mawyer stated that difference is generally a function of wet weather, or rain, that gets into
231 the wastewater system.
232

233 Mr. O'Connell stated that one conversation they've had is if there is some way to budget
234 [inaudible] between the City, County, and Rivanna to smooth this somehow so that there won't
235 be wild fluctuations of a bill that is double one month or year.
236

237 Dr. Palmer stated it helps a lot getting the debt service out.
238

239 Mr. Wood stated that it helped a lot getting the debt service out, but now that they have a tighter
240 system, they are having more of that rainwater flow into the system and not leaking out of it. He
241 stated that they actually still have the problem, which was shown the year before, of having quite
242 a bit of flow coming into the plant.
243

244 Mr. Wood stated he was talking to [Quinn Lunsford, Director of Finance for the Albemarle
245 County Service Authority] and [Chris Cullinan, Director of Finance for the City of
246 Charlottesville] about that issue, noting it was fairly complex because it necessarily involves
247 discussing reserves. He stated that reserves for the smaller rate centers are different than the ones
248 for the larger rate centers, and that it is difficult to write a policy for each one of those. He added
249 that when they start changing the way revenues are charged, this is a very serious thing for the
250 bond trustee, meaning they would have to bring the trustee in to make official changes.
251

252 Mr. Wood stated that they could attempt to do a finance-review level when they have wet
253 weather again, and that perhaps the finance departments need to set up some metrics and
254 measures on how to smooth this out.
255

256 Mr. Snook asked whether when it rains more, it costs more.
257

258 Mr. Wood stated that this was true on the wastewater side.
259

260 Dr. Palmer stated it would cost less on the water side, as people would not use as much water.
261

262 Mr. Mawyer stated that if it is drier, water costs go up, because people use more water and less
263 wastewater.
264

265 Mr. Wood stated that this doesn't happen very often. He stated that he actually plotted that data
266 over the past 15 years, and that it has happened twice. He stated that the year before that, they
267 were low, so they had a \$1 million deficit followed by a \$1.5 million surplus. He stated that they
268 therefore equaled out over a two-year period.
269

270 Mr. Gaffney stated that what Mr. O'Connell is trying to determine is how to smooth the
271 numbers.
272

273 Mr. Wood stated that Mr. O'Connell doesn't want the huge cash flow to hit that happened the
274 previous year and that he understood this.
275

276 Mr. O'Connell stated that in one month, there was a \$500,000 to \$750,000 swing.

277
278 Mr. Gaffney stated that it was not a true-up by the end of the year, but was a month-by-month
279 basis.

280
281 Mr. Wood stated that what they were talking about was that they may be able to have a true up.
282 He stated that, for example, if they have a 20% variance in the wastewater flow, that triggers
283 them to look at a true up. He stated that they also want to look at spending to see if they also had
284 a deficit that year, because it wouldn't make sense to have a true up and then have a deficit
285 compounding the deficit in one year, and so it becomes a more complex issue.

286
287 Mr. Gaffney asked if there had been an I and I [inflow and infiltration] update recently.

288
289 Mr. Mawyer replied that they were currently doing a five-year update of the flows that Rivanna
290 monitors. He stated that the ACSA monitors their flows in their systems.

291
292 Mr. Gaffney asked if the Board would be hearing that report at some point.

293
294 Mr. Mawyer replied yes.

295
296 Mr. O'Connell stated that they have done a much better job of keeping it in the system rather
297 than just going to the top of manholes. He stated that part of what the study does is identifies
298 problem areas to focus on to do much more work.

299
300 Ms. Hildebrand stated that it was not due to lack of effort by the County and City, as they have
301 aggressive capital improvement programs to address infiltration and inflows. She stated that it is
302 an ongoing process.

303
304 *b. Staff Report on Operations*

305 Mr. David Tungate, Director of Operations, presented the Operations Report, which is submitted
306 every month. He stated that the January Board meeting will cover the December Operations
307 Report.

308
309 Mr. Tungate stated that with regards to water operations, there is a list of all of the water
310 treatment plants in the report, with the total monthly production. He indicated to the maximum
311 daily production in the month, per facility. He stated that Observatory WTP, on December 4, did
312 2.1 million gallons per day.

313
314 Mr. Tungate stated that the report gives some perspective as it compares to the average, which is
315 the total monthly production divided by the number of days in the month. He stated that this is
316 broken down into Observatory, South Rivanna, and North Rivanna plants (the urban system);
317 and the maximum daily production of the urban system, which was 9.39 million gallons. He
318 stated that the average per day was 8 million gallons. He stated that there are then the two
319 County plants (Crozet and Scottsville). He stated that the report adds up the total average daily
320 production in the system as a whole, along with the total production by water treatment for the
21 entire system, for the month.

322
323 Mr. Tungate stated that below that table, it shows that all the water treatment facilities were in
324 regulatory compliance during the month of December.

325
326 Mr. Tungate stated that there is a column on the report for the status of the reservoirs. He stated
327 that he was happy to say that Ragged Mountain filled over the weekend, and while it was 99.6%
328 full as of last Thursday, it was now 100% full, so if the report were updated that day, it would
329 show 100% for all of the reservoirs.

330
331 Mr. Tungate stated that the Wastewater Operations Report shows four wastewater facilities --
332 Moores Creek, and the County wastewater plants of Glenmore, Scottsville, and Stone Robinson.
333 He stated that the report includes the average daily effluent flow, which represents how much
334 water they are putting back into the receiving streams. He stated in Moores Creek, the average
335 was 8.8 million gallons. He stated that this gives some perspective on the relative size of the
336 facilities. He stated for Glenmore, the average was 97,000 gallons, Scottsville with 58,000
337 gallons, and Stone Robinson (a smaller facility) with 10,000 gallons.

338
339 Mr. Tungate presented the average Carbonaceous Biological Oxygen Demand (CBODs),
340 explaining that the limit at Moores Creek is 11 mg/l, and that they were less than quantitative
341 levels, and therefore below what their instruments could measure. He stated the report includes
342 the performance of the other two facilities (Glenmore and Scottsville), and that because Stone
343 Robinson is so small, they are not required to report that data.

344
345 Mr. Tungate presented the information for suspended solids, noting this was the same
346 information. He stated with regards to ammonia, the limit level for the winter months at Moores
347 Creek is 7 mg/l, and that their average was 1.2 mg/l.

348
349 Mr. Tungate presented the Moores Creek nutrient discharges. He stated that they are allowed to
350 discharge 282,994 pounds of nitrogen per year, and 18,525 pounds of phosphorus per year from
351 the plant into Moores Creek, which goes to the Rivanna, which goes to the James River, which
352 then goes to the Chesapeake Bay.

353
354 Mr. Tungate stated that the average monthly allocation is simply the numbers 282,994 pounds
355 and 18,525 pounds divided by 12. He stated that for the Moores Creek discharge for December,
356 they put in 10,081 pounds of nitrogen, and were allowed to put in 23,583. He stated that they put
357 in 226 pounds of phosphorus, and they were allowed to put in 1,544 pounds. He stated that their
358 monthly performance for nitrogen and phosphorus, as it relates to their monthly allocation, were
359 at 43% and 15%, respectively. He stated that for their year-to-date, they were at 55% nitrogen
360 and 37% phosphorus. He stated that this is important because those credits are sold on the
361 nutrient exchange, which is a revenue stream for the utility.

362
363 Mr. Mawyer stated that the credit is based on the difference between what they are allowed to
364 discharge and what they actually do discharge. He stated that the credits allow them to sell that
365 discharge to another plant who may not be meeting their nutrient reduction requirements.

366
367 Mr. Gaffney asked about the difference between year-to-date and monthly allocation.

368

369 Mr. Mawyer stated that this takes the annual number and divides it into 12.

370

371 Mr. Tungate stated that in some months, they were higher than 43%, so that the average for the
372 year is 55% for nitrogen and 37% for phosphorus.

373

374 Mr. Snook asked how much they are able to sell the credits for.

375

376 Mr. Mawyer replied that in 2019, it was about \$80,000. He stated that this is where they have
377 concern, however, because the new State's water improvement plan (phase III) will take the
378 credits away.

379

380 Mr. Mawyer stated that the State is trying to find a way to further clean the Chesapeake Bay and
381 reduce the annual allocations of the nitrogen and phosphorus (which are set by the State). He
382 stated that they deemed that the Chesapeake Bay can cleanse itself up to so many pounds of
383 nitrogen and phosphorus and then, the State allocated those pounds to the different wastewater
384 treatment plants that flow into the Bay. He stated that in addition to Rivanna, Lynchburg,
385 Henrico, and the City of Richmond all have wasteload allocations.

386

387 Mr. Mawyer stated that the State is concerned that they are not cleaning up the Bay at an
388 adequate rate, and so they are trying to reduce the number of pounds of nutrients that plants such
389 as Rivanna's put back into Moores Creek, James River, and the Bay.

390

391 Mr. Gaffney asked what the new ingredient was that the State may be restricting.

392

393 Mr. Mawyer replied that they want to reduce nitrogen and phosphorus, and that there are also
394 studies on ammonia and chlorophyll.

395

396 Mr. Tungate stated that there are new ammonia standards proposed. He stated that in terms of the
397 health of the Bay, the James River dumps into the southern end of the Bay, and so the overall
398 health of the Bay is determined by how much influence the James River Watershed has as
399 opposed to the Potomac and others. He stated that there have been many debates, and looking at
400 the reductions in the James River water, it has been better than some of the other watersheds. He
401 stated that the professional organization Rivanna belongs to (VAMWA) is saying it is not fair
402 that they are going back to the James River to make the reductions because they should appeal to
403 other places (even Pennsylvania).

404

405 Mr. Tungate stated that the utilities that are buying the credits are concerned about staying in
406 compliance and are considering rate increases and wastewater treatment changes. He stated that
407 it was bigger than just Rivanna not selling credits.

408

409 Mr. Tungate stated that RWSA's current position where they have treatment the way it is, and
410 credits available, is a better place to be than those utilities who don't have the treatment and are
411 buying credits to stay in compliance.

412

413 Mr. Tungate presented graphs on urban water storage, with data as of 1/1/20. He stated that if the
414 report was updated that day, the red line showing total storage would go all the way to 100%. He
415 showed the last two years of rainfall measured at Observatory. He stated that Observatory was
416 used because it is in the middle of the system as it compares to water production and wastewater
417 treatment. He stated that 2018 was a wet year, and that typically as wastewater flows go up,
418 water production goes down. He stated this could also be influenced by temperature and the
419 season.

420

421 *c. Staff Report on Ongoing Projects*

422 Ms. Jennifer Whitaker, Director of Engineering and Maintenance, presented. She stated that the
423 Ongoing Projects Report has lived in several iterations over the years but that generally, it is a
424 monthly report that discusses all capital improvement programs as well as operational programs
425 that fall within the Engineering and Maintenance Division.

426

427 Ms. Whitaker stated that in the report, on a month-to-month basis, pages 1 and 2 focus on four
428 separate categories of projects. She stated that they typically try to put the projects that are under
429 construction and are changing frequently at the beginning. She stated that currently, those
430 projects include Crozet Water Treatment Plant, Valve Project, Bucks Elbow Tank, and Moores
431 Creek Wetlands Work.

432

433 Ms. Whitaker stated that the second group of projects are projects that are in design or bidding,
434 so they are fairly far along in the process.

435

436 Ms. Whitaker stated that the third group consisted of planning and studies, which are typically
437 projects occurring some time out and are in the process of being evaluated or being studied to
438 look at alternatives.

439

440 Ms. Whitaker stated that there is a group called "Other Significant Projects," which may include
441 catch-all projects such as security, or could be ongoing projects. She stated that the interceptor
442 sewer work falls in that category, as it continues. She stated that they also try to capture urgent
443 and emergent repairs in this category as well, with the idea that they have a mechanism to do
444 some of their larger urgent repairs but make the board aware of them, as they may have questions
445 or want to see how much money is being spent on those types of repairs.

446

447 Ms. Whitaker stated that, for instance, they recently had a tree uproot in McIntire Park, which
448 exposed part of the urban waterline. She stated that one of the projects that week was to bring a
449 crew out to reestablish and stabilize the bank, and so this project shows up on the report under
450 urgent repair.

451

452 Ms. Whitaker stated that the projects are typically identified on the report in blue, with a quick
453 snapshot of the project, including the engineer's name, the contractor, the planned construction
454 or design date, the status of the project's completion, construction budget figures, and any
455 change orders. She stated that at the end of a project, it gives a sense of how much the project
456 cost versus what was expected. She stated that expected completion is also included in the report,
457 as well as the total capital budget needed to change during the project.

458

459 Ms. Whitaker stated that the report also includes a line for current status (e.g. in construction,
460 going out to bid).

461
462 Ms. Whitaker stated that all 27 projects were listed with the quick snapshot. She stated that if a
463 Board member is inclined to get more information about the projects, there are two places to go
464 to get it. She stated that one way is to go to the CIP, where there is a paragraph that describes the
465 whole project. She stated that the other way was through the blue underlined project titles, which
466 are hyperlinks that bookmark to the back of the document, which includes more in-depth
467 information about the project. She stated that summary information is included in the front of the
468 document, and the history of the projects are included in the back.

469
470 Ms. Whitaker stated that this report is put together by the entire staff of engineers every month
471 and represents a fairly substantial amount of capital project execution on a month-to-month
472 basis.

473
474 Mr. O'Connell asked if Ms. Whitaker ever considered putting some pictures in the report
475 showing the current status of a few projects.

476
477 Ms. Whitaker replied that they do have a website link that shows pictures and locations. She
478 stated that they have not been put into the monthly report in part because at one point, the report
479 was becoming so cumbersome that they were having trouble getting it ready. She stated that
480 perhaps some maps and photographs might be useful.

481
482 Dr. Palmer stated a link to the CIP at the beginning of the report could be helpful.

483
484 Mr. Gaffney asked if the McIntire Park line was along the railroad.

485
486 Ms. Whitaker replied yes, that it was behind the ballfields.

487
488 Mr. Mawyer stated that they tried to make this as streamlined as they could by giving some
489 executive summaries in the front of the report, and then to read further information, this was
490 included in the back.

491
492 Dr. Palmer commented about the history of the projects in the report.

493
494 Ms. Whitaker stated that they used to write page-long histories, and there was some emphasis on
495 streamlining digestibility of the document. She stated that as they had more and more projects,
496 the documents became onerous. She stated that the histories may not be quite as extensive as
497 they used to be, but that she could provide answers to questions that may come up.

498
499 Mr. Gaffney stated that it became onerous when there was a new paragraph every month for
500 three or four years.

501
502 Dr. Palmer stated that she remembered this well, but that sometimes, she would go back and read
503 them. She stated that she was wondering if there was any place to go to see it.

505 Mr. O'Connell stated that there was a nice balance of keeping the history and being able to find
506 it. He stated that this provides good historic information, especially to the new Board members,
507 as well as seeing the current status.

508

509 Dr. Palmer mentioned the CIP as well.

510

511 Ms. Whitaker stated that they could provide the link to the CIP on the report.

512

513

514 *d. Award of Construction Contract and CIP Amendments – Renovation and Upgrade of South*
515 *Rivanna and Observatory Water Treatment Plants*

516 Mr. Scott Schiller, Engineering Manager, presented.

517

518 Mr. Schiller stated that the main purpose of this presentation was to request a contract award and
519 CIP amendment.

520

521 Mr. Schiller stated that at the South Rivanna plant, they would be adding two new filters, which
522 should be going in the area adjacent to the existing filters, as well as all new filter control panels.
523 He stated that they would be doing some general architectural and other building improvements
524 to the old filter building and constructing a new alum and fluoride chemical storage building to
525 be located behind the hypochlorite building.

526

527 Mr. Schiller stated that this project would also involve enclosing the liquid lime storage area in a
528 building for weather purposes. He stated that they would also construct a new administration
529 building for the Water Department, which would be located to the side of a parking area. He
530 stated that they would also be doing some general mechanical pumping and electrical service
531 improvements throughout the plant.

532

533 Mr. Schiller stated that at the Observatory Water Treatment Plant, they would be adding a new
534 chemical building that would contain all chemicals, except for hypochlorite, which would be
535 stored in a different building. He stated that they would be adding plate settlers to the two
536 sedimentation tanks, as well as new sludge collectors. He stated that they would be demolishing
537 two sedimentation basins to allow for future expansion of the plant.

538

539 Mr. Schiller stated that they would be adding another 4 MGD of GAC capacity to Observatory,
540 which would involve a building expansion. He stated that they would be adding a section onto
541 the filter building for the new backwash pumps, as well as a new blower for the filter system. He
542 stated that they will be rebuilding all filters and replacing all the filter-facing piping. He stated
543 that there is a gallery in the filter building where all the piping is being removed and completely
544 replaced, and that much of this piping is original.

545

546 Mr. Schiller stated that there would be some general architectural improvements to the building,
547 and that they would complete a loop road around the facility, which is used for chemical
548 deliveries and other transported materials on site. He stated that they would also be rebuilding
549 the settled water flume, which takes water from the sedimentation basins and brings it to the
550 filter.

551

552 Mr. Schiller stated that this was great deal of work, and that the summaries for both items
553 included more of the pressing items.

554

555 Mr. O'Connell asked if the situation with the settling plates was similar to that of Crozet.

556

557 Mr. Schiller replied yes.

558

559 Mr. Mawyer stated that this allows them to treat more water by creating more surface area within
560 the same basin footprint.

561

562 Mr. Schiller stated that they opened bids on January 9, 2020 and received four, ranging in value
563 from \$36,748,500 to \$44,937,000. He stated that the engineer's estimate was \$32,000,570. He
564 stated that based on those bids, the apparent low bidder is English Construction out of
565 Lynchburg, and that their bid of about \$36 million was approximately 13% higher than the
566 engineer's estimate.

567

568 Mr. Schiller stated that SEH (the engineer for the project) as well as staff, internally reviewed the
569 bids and documents, and found them to be responsive, and they recommended the award to
570 English Construction.

571

572 Mr. Schiller stated that as far as the capital budget summary, the two approved capital budgets
573 are \$15 million for the South Rivanna project, and \$19,700,000 for the Observatory project, for a
574 total budget of \$34,700,000. He stated that they had come to the Board previously with
575 information pertaining to the GAC expansion, and at that time, the only increase to the budget
576 was to account for the engineering services. He stated that they did indicate the GAC
577 construction would potentially add \$5.8 million to the \$34,700,000 budget.

578

579 Mr. Schiller stated that they were now requesting a \$43 million total project budget, which
580 would be \$2.5 million higher than previously anticipated.

581

582 Mr. Schiller stated that as far as the anticipated schedule, they anticipated mobilizing and starting
583 construction in March. He stated that as far as the more major milestones, they anticipated
584 substantial completion of the South Rivanna work in the summer of 2021, and then the major
585 Observatory three-month shutdown occurring during the winter of 2021-2022. He stated that the
586 overall completion of the project would be in the spring of 2023.

587

588 Mr. O'Connell asked if there had been any response back from UVA about the lease.

589

590 Mr. Mawyer replied that Mr. Krueger had received a response, which he and Mr. Gaffney
591 reviewed. He stated that Mr. Krueger is prepared to go back to UVA's counsel with a few
592 requests and suggestions, but that from his view, he would say they were far down the road with
593 completing the lease. He stated that the term of the lease seemed like it would be 49 years, with a
594 renewal option of 50 years. He stated that the 49 year term effectively would be 59 years, as
595 there would be 10 additional years added to the initial term if the lease is not renewed.

96

597 Mr. Gaffney stated that there is a 49-year lease and if they choose to terminate, they have 10
598 years to find land, plan, raise money, and build a new plant. He stated that effectively, it makes it
599 a 59-year lease.

600

601

602 Mr. Krueger stated that because it is UVA, they cannot condemn it, so they have to do this
603 consensually with UVA to get the plant lease.

604

605 Mr. O'Connell stated that it sounded like they were close.

606

607 Mr. Mawyer agreed they were very close. He stated that most of the requests UVA made
608 generally were acceptable.

609

610 Mr. Gaffney stated that there were a few minor points to negotiate.

611

612 Ms. Hildebrand stated that it sounded like the major point of the schedule has been worked out.

613

614 Mr. O'Connell asked if there was a valid lease through 2021 regardless.

615

616 Mr. Krueger replied yes.

617

618 Mr. Mawyer replied it was until April 2021.

619

620 Mr. Schiller stated that December 2021 would be the beginning of the three-month shutdown.

621

622 Mr. Mawyer stated that the idea was to get South Rivanna WTP renovated first so it can carry
623 the full load when they shut down Observatory.

624

625 Mr. Schiller stated that this would allow them to treat 12 MGD at South Rivanna very reliably,
626 which they can do now for short periods of time, but that this would allow them to do it for a
627 longer time. He stated that if they take down Observatory, they will need the full urban demand
628 supplied by South Rivanna.

629

630 Mr. O'Connell asked if that meant they would not be starting any of the Observatory work.

631

632 Mr. Schiller replied that they would start some of the work, but nothing that would impact plant
633 operations. He stated that the chemical building, for instance, was something they could start
634 building without any shutdowns or other impacts.

635

636 Mr. Mawyer stated that as was mentioned the month before in Mr. Schiller's presentation, the
637 South Rivanna plant will not get any treatment capacity increase, and will stay at 12 MGD. He
638 stated that Observatory will be increased from 7.7 MGD to 10 MGD. He stated that this is a
639 slight increase, but that they could get this at a relatively small amount of investment while
640 renovating the plant. He stated that they have a special agreement with the City and the ACSA
641 on how the 2.3 MGD of capacity is funded. He stated that otherwise, the City pays 48%, and the
642 ACSA pays 52% of the costs.

643

644 Mr. Gaffney asked if they have filmed the existing plant so that when they build the new plant,
645 they can see the before and after.

646

647 Mr. Mawyer replied there was a video and commentary about the two projects.

648

649 Mr. Gaffney stated that it would be great to look at the old piping and facilities.

650

651 Mr. Schiller stated that there would be extensive pre-construction videos.

652

653 Dr. Palmer suggested having a history section in the video.

654

655 Mr. Schiller replied that they are considering keeping one of the old control units. He stated that
656 there is also an old plaque downstairs dated 1953 and that they would maintain some of the
657 history of the plant.

658

659 Mr. O'Connell asked about the lease and the fact that it is not signed, and what impact this has
660 from a legal standpoint.

661

662 Mr. Krueger stated that if they didn't have a lease, they would have to get out of the plant. He
663 stated that that would be the case if they could not negotiate a new lease as of 2021. He stated
664 that the flip side of this was that they have gotten drafts that they believe are getting closer to
665 what they want. He stated that there are points in them that he, Mr. Gaffney, and Mr. Mawyer
666 believe they could live with, although they are irksome and could allow UVA to make some
667 decisions they would never want them to make. He stated that they would continue to negotiate
668 on those fronts. He stated that he would rather discuss this further in closed session.

669

670 Mr. Krueger pointed out that the Observatory Plant is so interconnected with UVA's water
671 system that UVA realizes that if they got to 2021 and decided not to give a new lease, the fire
672 protection at UVA would probably be in as much trouble as the rest of the City and County, and
673 that this would result in a nuclear meltdown sort of situation. He stated that there is some
674 comfort in the fact that UVA recognizes that its water supply for its own university is very much
675 related to Observatory.

676

677 Mr. Gaffney stated that the fine points they are negotiating are so that, in 50 years, if they have to
678 negotiate the next 49 years, they don't want future members on the Board to ask what they were
679 thinking. He stated that UVA is thinking the same way, and are both approaching it from that
680 standpoint.

681

682 Mr. O'Connell stated that it sounded like that in the longer term, they could live with the finer
683 points and try to find a middle ground that satisfies everyone.

684

685 Mr. Gaffney stated something Leonard Sandridge (UVA) stated to him when they were
686 negotiating the mitigation of the Ivy Landfill was that he wanted a fixed price and that if there
687 were any surprises in the mitigation, UVA was not obligated. He stated that Leonard told him
688 that he didn't want someone 15-20 years later to wonder what he was thinking. He stated that

38

689 this was our and UVA's approach and that they were trying to bring these together to finalize the
690 agreement.

691
692 Mr. Schiller stated that there were three requested actions. He stated that the first is authorization
693 for the Executive Director to award the construction contract to English Construction for a total
694 value of \$36,748,500. He stated that the change orders to the construction contract necessary for
695 completion of work shall not exceed 10% of the original construction contract value of the
696 contract awarded.

697
698 Mr. Schiller stated that the second requested action is to amend the FY 20-24 CIP for the
699 Observatory Water Treatment Improvements Project to increase the budget by \$6.3 million,
700 which would bring the total budget for that project to \$26 million.

701
702 Mr. Schiller stated that the third requested action is to amend the FY 20-24 CIP for the South
703 Rivanna Water Treatment Improvement Project to increase the budget by \$2 million, bringing
704 the total budget for that project to \$17 million.

705
706 **Mr. O'Connell made a motion to approve the three requested actions. The motion was**
707 **seconded by Ms. Hildebrand and passed unanimously (6-0). Dr. Richardson was absent**
708 **from the meeting and the vote.**

709
710 Mr. O'Connell expressed that though the projects are expensive, it was necessary to move
711 forward with them.

712
713 Mr. Schiller added that a value engineering process was performed with the projects to make
714 sure they were moving forward with necessary improvements. He stated that at this point, to
715 minimize the efforts would involve pulling out critical items.

716
717 Ms. Hildebrand expressed that the approach they took to the bidding process was a good one.

718

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

720 Mr. O'Connell gave members the ACSA's updated Strategic Plan, in which he said there were
721 two major focuses. He stated that one was priority in customer notifications, requests for
722 information, and the use of information for an advanced metering radio metering system. He
723 stated that the second one was they are trying to respond to customer needs that came out of the
724 customer survey they did about a year ago.

725

726 **10. Adjournment**

727 **At 3:44 p.m., Mr. O'Connell moved to adjourn the meeting of the Rivanna Water and**
728 **Sewer Authority. The motion was seconded by Mr. Richardson and passed unanimously**
729 **(6-0). Dr. Richardson was absent from the meeting and the vote.**

730

731

732

733

734

735 Respectfully submitted,
36
737
738
739
740
741



Jeff Richardson
Secretary - Treasurer

