



**RWSA BOARD OF DIRECTORS
Minutes of Regular Meeting
May 26, 2020**

A regular meeting of the Rivanna Water and Sewer Authority (RWSA) Board of Directors was held on Tuesday, May 26, 2020 at 2:49 p.m. virtually via Zoom.

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

Board Members Absent: None.

Rivanna Staff Present: Bill Mawyer, Katie McIlwee, Lonnie Wood, Jennifer Whitaker.

Attorney(s) Present: Kurt Krueger.

Also Present: Access to the meeting was available via Zoom for members of the public and media representatives.

1. CALL TO ORDER

Mr. Gaffney called the May 26, 2020 regular meeting of the Rivanna Water and Sewer Authority to order at 2:49 p.m.

2. STATEMENT FROM THE CHAIR

Mr. Gaffney stated that notwithstanding any provision in the bylaws to the contrary, as permitted under the City of Charlottesville’s Continuity of Government Ordinance adopted on March 25, 2020, and under Albemarle County’s Continuity of Government Ordinance adopted on April 25, 2020, and under Chapter 1283 of the 2020 Acts of the Virginia Assembly effective April 24, 2020, they were holding this meeting by real-time electronic means with no Board member physically present in a single, central location.

Mr. Gaffney stated all Board members are participating electronically. He stated this meeting was being held pursuant to the second resolution of the City’s Continuity of Government Ordinance and Section 6(e) of the County’s Continuity of Government Ordinance. He stated all Board members will identify themselves and state their physical location by electronic means during the roll call, which would be held next.

Mr. Gaffney noted, for the record, that the public has real-time audio/visual access to this meeting over Zoom as provided in the lawfully open meeting notice, and real-time audio access over telephone, which was also contained in the notice. He stated the public is always invited to send questions, comments, and suggestions to the Board through Mr. Bill Mawyer, the Authority’s Executive Director, at any time.

Mr. Gaffney called the roll call.

Ms. Lauren Hildebrand stated she was located at 305 4th Street NW.

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Mr. Gary O’Connell stated he was located at 168 Spotnap Road.

Dr. Lizabeth Palmer stated she was located on Mechum Banks Drive in Albemarle County.

Mr. Jeff Richardson stated he was located at 15 Lark Hill Road in Arden, North Carolina.

Dr. Tarron Richardson stated he was located at 605 East Main Street in Charlottesville.

Mr. Lloyd Snook stated he was located at 408 East Market Street in Charlottesville.

Mr. Mike Gaffney stated he was located at 3180 Dundee Road in Earlysville.

Mr. Gaffney stated the following Authority staff members were joining the meeting: Bill Mawyer (Executive Director), Lonnie Wood (Director of Finance and Administration), Jennifer Whitaker (Director of Engineering and Maintenance), and Katie McIlwee (Communications Manager).

Mr. Gaffney stated they were also joined electronically by Mr. Kurt Krueger (Counsel to the Authority).

3. RESOLUTION OF THE RIVANNA SOLID WASTE AUTHORITY AUTHORIZING THE ADOPTION OF PROCEDURES FOR ELECTRONIC PUBLIC MEETINGS AND PUBLIC HEARINGS AND MODIFICATION OF PROCUREMENT PROCEDURES TO ENSURE THE CONTINUITY OF GOVERNMENT DURING THE COVID-19 PANDEMIC DISASTER

Mr. Gaffney stated this resolution: (i) approves conducting the meeting and future meetings electronically, consistent with the City’s Continuity of Government Ordinance (adopted on March 25), the County’s Continuity of Government Ordinance (adopted on April 15), and Chapter 1283 of the 2020 Acts of the Virginia General Assembly (effective April 24); (ii) approves their conducting the public hearings required for adoption of budgets and rate settings; and (iii) permits the Executive Director to modify the requirements or procedures for procurements not directly related to the COVID-19 disaster after giving reasonable notice to make the public aware of those modifications.

Mr. Gaffney noted that the public notice for this meeting was given in conformity with those ordinances.

RESOLUTION OF RIVANNA WATER AND SEWER AUTHORITY

AUTHORIZING THE ADOPTION OF PROCEDURES FOR ELECTRONIC PUBLIC MEETINGS AND PUBLIC HEARINGS AND MODIFICATION OF PROCUREMENT PROCEDURES TO ENSURE THE CONTINUITY OF GOVERNMENT DURING THE COVID-19 PANDEMIC DISASTER

WHEREAS, on March 12, 2020, Governor Ralph S. Northam issued Executive Order Fifty-One declaring a state of emergency for the Commonwealth of Virginia arising from the novel Coronavirus (COVID-19) pandemic; and

94 **WHEREAS**, Executive Order Fifty-One acknowledged the existence of a public health
95 emergency which constitutes a disaster as defined by Virginia Code § 44-146.16 arising from the
96 public health threat presented by a communicable disease anticipated to spread; and

97 **WHEREAS**, Executive Order Fifty-One ordered implementation of the Commonwealth
98 of Virginia Emergency Operations Plan, activation of the Virginia Emergency Operations Center
99 to provide assistance to local governments, and authorization for executive branch agencies to
100 waive “any state requirement or regulation” as appropriate; and

101 **WHEREAS**, on March 13, 2020, the President of the United States declared a national
102 emergency, beginning March 1, 2020, in response to the spread of COVID-19; and

103 **WHEREAS**, on March 11, 2020, the World Health Organization declared the COVID-19
104 outbreak a pandemic; and

105 **WHEREAS**, on March 12, 2020, the Charlottesville City Council approved the
106 declaration of a local emergency and the City Manager and Director of Emergency Management
107 issued a declaration of local emergency on March 12, 2020; and

108 **WHEREAS**, on March 17, 2020, the Albemarle County Board of Supervisors confirmed
109 the declaration of local emergency because of the COVID-19 pandemic made by the County
110 Executive, acting as the Director of Emergency Management on March 12, 2020; and,

111 **WHEREAS**, on March 18, 2020, the Albemarle County Board of Supervisors consented
112 to the County Executive, acting as the Director of Emergency Management, issuing an amended
113 declaration of local emergency to refer to the COVID-19 pandemic as not only an emergency,
114 but also as a “disaster” as the Governor had included in Executive Order Fifty-One, and the
115 County Executive issued the amended declaration on March 20, 2020; and

116 **WHEREAS**, Virginia Code § 15.2-1413 provides that, notwithstanding any contrary
117 provision of law, a locality may, by ordinance, provide a method to assure continuity of
118 government in the event of a disaster for a period not to exceed six months; and

119 **WHEREAS**, on March 25, 2020, the Charlottesville City Council, pursuant to Virginia
120 Code § 15.2-1413, adopted an Ordinance to Modify Deadlines, Modify Public Meeting and
121 Public Hearing Practices and Procedures to Address Continuity of Operations Associated with
122 the Pandemic Disaster (the “City Emergency Ordinance”); and

123 **WHEREAS**, on March 27, 2020, the Albemarle County Board of Supervisors, pursuant
124 to Virginia Code § 15.2-1413, adopted an Emergency Ordinance to Ensure the Continuity of
125 Government During the COVID-19 Disaster; and

126 **WHEREAS**, on April 15, 2020, the Albemarle County Board of Supervisors, pursuant to
127 Virginia Code § 15.2-1413, adopted an Ordinance to Ensure the Continuity of Government
128 During the COVID-19 Disaster, modifying its earlier ordinance adopted on March 27, 2020 (the
129 “County Emergency Ordinance” and collectively, with the City Emergency Ordinance, the
130 “Emergency Ordinances”, and individually, the “Emergency Ordinance”); and

131 **WHEREAS**, through its respective Emergency Ordinance, the Charlottesville City
132 Council and the Albemarle County Board of Supervisors specifically found that COVID-19
133 constitutes a real and substantial threat to public health and safety and constitutes a “disaster” as
134 defined by Virginia Code § 44-146.16 being a “communicable disease of public health threat”
135 and

136 **WHEREAS**, through its respective Emergency Ordinance, the Charlottesville City
137 Council and the Albemarle County Board of Supervisors further found that the COVID-19
138 pandemic makes it unsafe to assemble in one location a quorum for public bodies including its
139 respective boards, commissions and authorities (collectively the “Public Entities”), or for such

140 Public Entities to conduct meetings in accordance with normal practices and procedures; and
141 **WHEREAS**, on April 24, 2020, Governor Northam approved an amendment to House
142 Bill 29, the Budget Bill, enacted as Chapter 1283 of the 2020 Acts of the Virginia General
143 Assembly, Part 4: General Provisions, Section 4-0.00 Operating Policies, subparagraph g.,
144 effective on such date, permitting any public body, including any state, local, regional, or
145 regulatory body, or certain governing boards, to meet by electronic communication means
146 without a quorum of the public body and any member of the governing board physically
147 assembled at one location when the Governor has declared a state of emergency, subject to
148 certain conditions and procedures;

149 **WHEREAS**, through its respective Emergency Ordinance, the Charlottesville City
150 Council and the Albemarle County Board of Supervisors adopted certain procedures to ensure
151 the continuity of government during the COVID-19 Pandemic disaster (such procedures together
152 with the Operating Policies set forth in Part 4 of Chapter 1283 of the 2020 Acts of the Virginia
153 General Assembly, hereinafter collectively referred to as the “Continuity Procedures”),
154 suspended any deadlines applicable to Public Entities and their staff during the COVID-19
155 disaster, and authorized Public Entities, at their discretion, to postpone non-emergency public
156 hearings and action items during the disaster; and

157 **WHEREAS**, the Rivanna Water and Sewer Authority, being a public body created by
158 concurrent resolutions of the City of Charlottesville and the County of Albemarle pursuant to the
159 Virginia Water and Waste Authorities Act (Virginia Code Section 15.2-5100 *et seq.*) and whose
160 Board members are appointed by the City of Charlottesville and the County of Albemarle, is a
161 Public Entity included within the scope of each of the Emergency Ordinances adopted by the
162 City of Charlottesville and the County of Albemarle and a local body under Chapter 1283 of the
163 2020 Acts of the Virginia General Assembly.

164 **NOW, THEREFORE, BE IT RESOLVED** that the Rivanna Water and Sewer
165 Authority hereby incorporates by reference and adopts the Continuity Procedures prescribed in
166 each of the respective Emergency Ordinances adopted by the City of Charlottesville and the
167 County of Albemarle, and in Chapter 1283 of the 2020 Acts of the Virginia General Assembly
168 copies of which are attached hereto; and

169 **BE IT FURTHER RESOLVED** that the Rivanna Water and Sewer Authority hereby
170 authorizes and directs its officers and staff to take all steps reasonably necessary or appropriate
171 to implement such Continuity Procedures and to develop any specific procedures as applicable
172 and appropriate for the Rivanna Water and Sewer Authority, provided that such specific
173 procedures are consistent with the terms and conditions of the Emergency Ordinances, including
174 modification of the requirements or procedures for procurements not directly related to the
175 COVID-19 disaster, notwithstanding any provision in its Bylaws or its Procurement Manual to
176 the contrary, and

177 **BE IT FURTHER RESOLVED** that this Resolution shall take effect immediately upon
178 adoption and shall remain in effect during the pendency of both Emergency Ordinances
179 including for any applicable period upon the re-adoption of the Emergency Ordinances by the
180 Charlottesville City Council or the Albemarle County Board of Supervisors and during the
181 pendency of the emergency declaration by the Governor of Virginia.

182
183 **Dr. Palmer moved that the board adopt the resolution authorizing the procedures for an**
184 **electronic public meeting and public hearings, and granting the Executive Director the**
185 **authority to modify procurement procedures to ensure the continuity of government during**

186 **the COVID-19 pandemic disaster. The motion was seconded by Mr. Snook, and passed**
187 **unanimously (7-0).**

188

189 **4. ELECTION OF CHAIR, VICE CHAIR & SECRETARY-TREASURER**

190 Mr. Krueger stated that for Water and Sewer, Dr. Richardson currently serves as Vice Chair, and
191 Mr. Richardson serves as Secretary-Treasurer. He stated if following convention, they would
192 alternate those roles this time.

193

194 **Dr. Palmer moved that the board elect Mike Gaffney as Chair, Mr. Richardson as Vice Chair,**
195 **and Dr. Richardson as Secretary-Treasurer, to take effect immediately. The motion was**
196 **seconded by Mr. Snook, and passed unanimously (7-0).**

197

198 **5. MINUTES OF PREVIOUS BOARD MEETINGS**

199 *a. Minutes of Regular Board Meeting on February 25, 2020*

200 Mr. Gaffney asked board members if they had comments or changes.

201

202 **Mr. O'Connell moved that the board approve the minutes of the previous board meeting.**
203 **The motion was seconded by Mr. Richardson and passed unanimously (6-0). (Mr. Gaffney**
204 **abstained, as he was not in attendance at the February 25, 2020 meeting.)**

205

206 **6. RECOGNITIONS**

207 There were no recognitions.

208

209 **7. EXECUTIVE DIRECTOR'S REPORT**

210 Mr. Mawyer stated he was excited to be part of the first virtual board meeting of the RWSA
211 Board. He thanked Mr. Wood and his staff for making this possible, along with Ms. McIlwee in
212 helping to set this up and have it run so successfully.

213

214 Mr. Mawyer thanked the 93 employees of the Water and Sewer Authority, noting that 90% of
215 these employees had to work their normal shifts on most days. He stated they did stagger some
216 of the shifts, but water operators, wastewater operators, maintenance, laboratories, chemists,
217 finance employees, Human Resources, Administrative, and IT personnel as well as construction
218 and inspection staff worked during their normal shifts on normal days to help keep our systems
219 operating. He stated he appreciated all their efforts.

220

221 Mr. Mawyer stated their engineering staff worked from home, but did a great job keeping all the
222 construction projects moving forward amidst the COVID-19 challenges. He stated he appreciated
223 all that staff has done. He presented a picture that was taken on Employee Appreciation Day at
224 Michie Tavern, which featured a mix of Water/Sewer and Solid Waste employees. He stated he
225 appreciated what this dedicated staff did during this stressful time.

226

227 Mr. Mawyer stated they have had many things happen since the board last met in February. He
228 stated he was pleased that the staff have made a lot of progress on the easement acquisitions
229 from South Rivanna Reservoir to Ragged Mountain Reservoir. He stated they have made offers
230 to 11 of 12 private owners. He stated the only private owner they need to make offers to is the
231 UVA Foundation. He stated they have not offered on some of the UVAF properties, but all of the

232 other 11 properties have received offers, and they have successfully negotiated 8 easements with
233 those 11 property owners.

234
235 Mr. Mawyer stated they were moving forward with the three public properties that include
236 VDOT, the City near Ragged Mountain (which Ms. Hildebrand has been working to get this on
237 the City's agenda as soon as possible, likely in July), and the County School Board (where
238 property is located behind Albemarle High School and Jouett Middle School). He stated all these
239 are moving forward.

240
241 Mr. Mawyer stated there is another leg of the easement acquisition process that is from Ragged
242 Mountain Reservoir to Observatory Treatment Plant. He stated there is a pipeline that will be
243 replaced from the reservoir to the treatment plant, and they are working with UVA, the UVA
244 Foundation and other private property owners, and the VA Department of Forestry to access
245 those properties. He thanked Ms. Whittaker and Ms. Victoria Fort for their efforts on this
246 essential project.

247
248 Mr. Mawyer stated they continue to move forward on the Observatory lease with UVA. He
249 stated they are down to final lease terminology, terms, and conditions. He stated UVA asked
250 RWSA to revise the boundaries of the lease property area, so they reviewed this and provided
251 some thoughts on where they could move the property line. He stated he is hopeful UVA will
252 accept this so they can get the lease approved and move on. He stated there is a license
253 agreement on the Alderman Pump Station that is in its final phase, as well as the wording for
254 water line easements that go along with this process.

255
256 Mr. Mawyer stated staff did a great job applying for a federal grant with the Natural Resources
257 Conservation Service, a federal agency, for the Beaver Creek Dam Improvement Project. He
258 stated they have been approved for a \$341,000 grant to support the preliminary engineering for
259 that project. He stated they are close to getting the paperwork signed and returned to the NRCS.
260 He stated this is Part One of that process and project, and that they would intend to apply for
261 construction funding later in the process. He stated they understand it is a shared process where
262 the NRCS could pay about 40% of the total costs of the construction, which the total project is
263 around \$27 million.

264
265 Mr. Mawyer stated the Second Annual Northwest Central Virginia Utilities Manager Lunch was
266 held in February, and was well attended.

267
268 Mr. Mawyer stated May 3-9 was Drinking Water Week.

269
270 Mr. Mawyer stated the IT group received recognition in Power Magazine, which stated that
271 Rivanna was a "respected environmental and industry leader in the region, and uses advanced
272 technology and processes to achieve high standards of performance." He stated this was a nice
273 article about the SCADA system they have used, which is a G.E. product. He stated he
274 appreciated Mr. Wood, Mr. Steve Miller and his group for doing a good job with that.

275
276 Mr. Mawyer stated they have been watching the water production, particularly in view of the
277 COVID-19 situation and schools closing. He stated while the urban water production has been

278 down about 7% since March 1, Crozet has been up 5%, and Scottsville has been up 24%. He
279 stated comparing FY 20 to the last fiscal year, they were still about 3.5% above their production
280 last year. He stated they were not seeing a significant impact.

281
282 Mr. Mawyer noted that on Attachment 10D, Ms. Whittaker and Ms. Fort included the Wholesale
283 Metering Report. He stated this shows how the wholesale water meters are allocating water to
284 the City and to the Service Authority. He stated while the Service Authority demand use is on
285 par with the normal, there is a drop in the City's demand, which they could anecdotally allocate
286 to UVA's usage being decreased.

287
288 Mr. O'Connell asked if this was for the month of April.

289
290 Mr. Mawyer stated Attachment 10D shows several months. He asked Ms. Hildebrand if she was
291 seeing a decrease in use from UVA.

292
293 Ms. Hildebrand replied yes.

294
295 Mr. O'Connell thanked Mr. Mawyer and his staff for all their work in keeping the water flowing
296 and wastewater treatment going throughout the pandemic. He stated this is an essential service
297 that is out of sight and out of mind until customers do not have it.

298
299 Mr. Mawyer noted that both Mr. O'Connell and Ms. Hildebrand offered their staff to help
300 Rivanna, if ever needed, with water and sewer operations and that thankfully, they have not had
301 to ask for any help. He stated Mr. David Tungate and his group did a nice job making some
302 videos about "a day in the life of an operator" to help with training, which could help provide
303 City and ACSA staff with some minimal training on what it is to be a water or wastewater plant
304 operator.

305
306 Mr. Mawyer stated they have actually achieved many improvements during the pandemic, both
307 administratively and training-wise with PPE and making sure they have an adequate stock. He
308 stated they have been doing well, along with the standard sanitization and safe health procedures.
309 He stated the wastewater staff disinfect shoes when they go from certain buildings to others. He
310 expressed appreciation to staff and to the ACSA and City for offering to help.

311
312 Dr. Palmer agreed that everyone was appreciative of the staff at RWSA, ACSA, and the City in
313 keeping everything going. She stated she had a question about the Biosolids Regional Meeting.
314 She stated there was a note in the report that biosolids generators discussed concerns about the
315 long-term availability of land application, incineration, and landfilling. She asked if Mr. Mawyer
316 could say something about that or direct the board to something they could read about these
317 concerns.

318
319 Mr. Mawyer stated when they finish the wastewater treatment process, it ends with a
320 biosolid/solid product, and a liquid product. He stated the liquid product is treated and
321 disinfected, then goes back into Moores Creek from the Moores Creek plant. He stated they also
322 have many tons of biosolids they produce and those are currently shipped to Waverly, where
323 they are made into compost.

324
325 Mr. Mawyer stated there are a number of wastewater utilities who land-apply biosolids, and the
326 Biosolids Council of which RWSA is a member, monitors a lot of the legislation going on, as
327 there is concern in the community about chemicals being in biosolids, particularly when they are
328 land-applied. He stated more recently, there are concerns about PFAS (Per- and Polyfluoroalkyl
329 Substances) and how this might affect the land, or if it runs off and goes into the streams during
330 land application.

331
332 Mr. Mawyer stated many utilities see land application as an important part of their biosolids
333 disposal program, but it is being challenged in various places because of the potential for
334 leeching materials back into the water supply. He stated this Council stays in touch with that
335 kind of information and helps all the members be aware of legislation, and the DEQ inspection
336 program for biosolids. He stated he could send Dr. Palmer more information.

337
338 Dr. Palmer stated there had been a presentation by staff in the past on the options for biosolids
339 and that in the chart of options, landfilling was one of those. She stated this, of course, was not
340 chosen and that Mr. Mawyer explained what they are doing locally. She asked if there was some
341 effort to disallow that from landfills.

342
343 Mr. Mawyer stated the main target is disallowing land application of biosolids and spreading it
344 on agricultural property. He stated landfills which accept biosolids are the technologically-
345 advanced landfills with membrane bottom and top liners. He stated they have not received much
346 concern about biosolids going to the landfill, and that it was mostly the land application that
347 receives attention.

348
349 Dr. Palmer stated she assumed very few counties incinerate it, as there were not many
350 incinerators around.

351
352 Mr. Mawyer stated he has read about some incineration facilities around the country, but not
353 very many.

354
355 Mr. Mawyer added that those who land apply biosolids also need to landfill as a part of their
356 disposal program. He stated biosolids are generated every day and must be disposed, and if it is
357 during the winter or a rainy period and they cannot get the biosolids onto the fields, the landfill
358 then becomes an important component of those utilities' biosolids disposal program.

359
360 **8. ITEMS FROM THE PUBLIC**
361 Mr. Gaffney opened the meeting to the public. Hearing no speakers, he closed the Items from the
362 Public portion of the meeting.

363
364 **9. RESPONSES TO PUBLIC COMMENT**
365 As there were no public comments, there were no responses.

366
367 **10. CONSENT AGENDA**
368 *a. Staff Report on Finance*
369
370 *b. Staff Report on Operations*

- 371
372 c. *Staff Report on Ongoing Projects*
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374 d. *Staff Report on Wholesale Metering*
375
376 e. *Authorization for Engineering Services – Virginia Water Protection Permit Renewal for the*
377 *Urban Water System; Hazen Engineers*
378
379 f. *Award of Contract for Engineering Services - Term Contract for Professional Sanitary Sewer*
380 *Modeling Services; Brown and Caldwell Engineers*
381
382 g. *Construction Work Authorization – South Fork Rivanna Dam Mud Valve Replacement – Bander*
383 *Smith, Inc*
384

385 Regarding item (g), Mr. O’Connell asked if he could get more detail on the mud valves, what the
386 work involves, the timeframe for the repair, and when that will be completed.
387

388 Mr. Mawyer stated these mud valves were the ones that RWSA found were not operating
389 properly in 2017, and they did some temporary patching to seal them as best as possible. He
390 stated now there was a diving company, as much of the work is underwater, to assess these
391 valves and the closing devices and come up with recommendations of whether they should be
392 repaired or replaced. He stated he hoped that whichever is appropriate, this calendar year (later in
393 the summer or fall), they could make these valves (which were put in when the dam was
394 originally built) more water-tight.
395

396 Mr. O’Connell asked if Mr. Mawyer expected the work to be completed by end of fall.
397

398 Mr. Mawyer asked Ms. Whittaker if this was the case.
399

400 Ms. Whittaker replied yes. She stated the intent is to have the work done. She stated in fact, they
401 were in the chambers two weeks ago, and the divers got a great view. She stated they will close
402 the bulkheads and pull the valves off the concrete wall, and will do one of two things. She stated
403 they will either retrofit from the square sluice hole to a circular knife gate hole and knife gate
404 plate, valve, and parts that go with it; or they will take the square sluice gate off the wall,
405 refurbish the square sluice gate, and reinstall it. She stated they were able to get a clear picture of
406 what the issues are, where it is leaking, and why. She stated they expected within the month to
407 have an alternative selected and the equipment ordered.
408

409 **Dr. Palmer moved that the board approve the Consent Agenda. The motion was seconded**
410 **by Mr. O’Connell and passed unanimously (7-0).**
411

412 ***II. OTHER BUSINESS***

413 a. *Presentation: Proposed FY 2021-2025 Capital Improvement Program Budget Update; Bill*
414 *Mawyer, Executive Director*

415 Mr. Mawyer stated this was presented to the board in February, but in view of the economy and
416 the COVID-19 realities, the subcommittee members, Mr. O’Connell and Ms. Hildebrand, both
417 asked to have zero increases in RWSA’s costs to them next year. He stated in order to do that,

418 they had to go back to the Capital Program, as well as the Operating Budget, to make revisions.
419 He stated this update is a review of those revisions.

420
421 Mr. Mawyer stated the updated CIP includes 5 deferred projects of the 56 projects that were
422 included in February, with the project total now 51. He stated they deferred \$2.7 million in
423 projects outside the five-year CIP, which made some small changes (e.g. \$1.1 million in urban
424 water, \$1.3 million in urban wastewater, and \$300,000 for non-urban water projects).

425
426 Mr. Mawyer stated five projects were deferred, including a waterline crossing of the Rivanna
427 River, which was mostly a study to assess that project. He stated it would give them a second
428 crossing and redundancy to the Piney Mountain area, as there is only one pipe that serves that
429 area from the South Rivanna Treatment Plant today.

430
431 Mr. Mawyer stated there is a more significant project with the North Rivanna Water Treatment
432 Plant Upgrade, and that an assessment of that project is being conducted to determine if they will
433 continue to operate that treatment plant or take it out of the inventory. He stated meanwhile, with
434 the storm a couple years ago, it washed out the backwash lagoons, and so they still have some
435 funding in the project to do the minimum necessary, but deferred \$1 million from FY 23 to FY
436 26 until they have more information and make a more comprehensive decision about what
437 upgrades they might do to this plant.

438
439 Mr. Mawyer stated that regarding the Scottsville water tank, there was an assessment that
440 determined that the interior and exterior needed to be painted, but this project was delayed one
441 year.

442
443 Mr. Mawyer stated there was a project for the Maury Hill sewer replacement, which is located at
444 the UVA Fontaine Avenue Research Park. He stated this is a sewer capacity issue, but that it is
445 not currently experiencing any problems, so the project was deferred.

446
447 Mr. Mawyer stated there has been a project in the CIP for a couple years of about \$8 million to
448 complete an addition to the administration building. He stated they deferred the first year of
449 significant funding for that project, from FY 25 to FY 26. He stated with the new paradigm of
450 working from home, they will have to reassess this addition and what shape and form it needs to
451 take, if any, for Rivanna's future.

452
453 Mr. Mawyer stated similarly, there was a small project to renovate the Moores Creek conference
454 room, and that this has been deferred from FY 22 to FY 26.

455
456 Mr. Mawyer stated these changes totaled about \$2.7 million in project reductions within the five-
457 year CIP.

458
459 Mr. Mawyer stated the CIP history over the last 20 years shows that the average is at \$144
460 million per 5-year CIP. He stated the CIP totaled \$154 million in 2019, followed by a significant
461 drop in 2020 to \$97 million. He stated they were not too far from the average, at \$132.5 million,
462 which is still slightly below the 20-year average for Rivanna's history.

463

464 Mr. Mawyer stated the 15-year CIP planning forecast did not change significantly. He stated they
465 shifted the \$2.7 million, so they have less in the first five years and more in the second five
466 years. He stated the third five years remained unchanged, and so the 15 years still total \$275
467 million.

468
469 Mr. Mawyer stated they did not affect any of the schedules or projects related to community
470 water supply projects. He presented a list of those projects, noting that none of those projects
471 were impacted by the deferrals.

472
473 Mr. Mawyer stated in summary, the five-year CIP has adjusted from 56 to 51 projects, and from
474 \$135.2 million to \$132.5 million.

475
476 Mr. Mawyer stated with the three water treatment plant renovations (Crozet, South Rivanna, and
477 Observatory) underway construction, and the cost of these facilities totaled over \$52 million in
478 the CIP.

479
480 Dr. Palmer thanked Mr. Mawyer for the work on the CIP.

481
482 Mr. Mawyer stated Ms. Whittaker and her staff put together the CIP in a strategic way, and
483 modify it when asked. He stated he appreciated all their effort in making it happen. He likened
484 the CIP to a puzzle in that pulling one piece out can affect the entirety of the comprehensive
485 puzzle, as they have put it together in a strategic way and projects are connected.

486
487 *b. Presentation: Introduction of Proposed Budget for FY 2020-2021, and Adoption of*
488 *Preliminary Rate Schedule; Bill Mawyer, Executive Director*

489 Mr. Mawyer presented a photograph of the Ragged Mountain Reservoir at night, noting it was
490 impressive. He pointed out the dam and I-64 Westbound in the picture. He stated they now have
491 a new video of the Rivanna to Ragged Mountain Pipeline route, and that he would show this to
492 the board in the coming months.

493
494 Mr. Mawyer stated the proposed budget for next year totals \$37.1 million. He stated the largest
495 single budget item was debt service and pointed it out on the pie chart, noting it was \$17.7
496 million. He stated they have \$8.7 million in personnel cost, salaries, and benefits, and that this
497 funds the 93 people that report to Water and Sewer. He stated there is \$4 million in general
498 services that they use for nonprofessional and professional contract services, utilities, and
499 insurance. He stated there is also \$6.5 million that funds chemicals, building repairs, equipment
500 maintenance, and related things.

501
502 Mr. Mawyer stated the proposed budget for the next year was \$37.1 million.

503
504 Mr. Mawyer stated he wanted to celebrate the things they were able to complete that year. He
505 presented a photograph by the Birdwood Golf Course, noting that the area between the golf
506 course and Belair is where the Birdwood Water Line was constructed.

507

508 Mr. Mawyer stated they finished the Wholesale Water Metering Project last year, and got the
509 Observatory Water Treatment Plant cost sharing agreement completed between the City and the
510 Service Authority.

511
512 Mr. Mawyer stated along with the County's approval, the ACSA, the City, and Rivanna, they got
513 the Buck Mountain Surcharge joint agreement executed, which ended the Buck Mountain
514 surcharge on new water connections in the City and County.

515
516 Mr. Mawyer stated they completed a bathymetric study of the Lickinghole stormwater basin,
517 which measures the volume available within the basin and what siltation has occurred. He stated
518 he would likely give the board more information about that in the near future.

519
520 Mr. Mawyer stated they have completed the Water Demand and Safe Yield studies, which would
521 be provided to the board the next month, along with the Lickinghole Basin Report in July. He
522 stated the Water Demand and Safe Yield predicts how much water the community needs for the
523 next 50 years, what the water supply capacity is, and when they might have to add a new water
524 supply.

525
526 Mr. Mawyer stated the EPA required Rivanna to do a Risk and Resiliency Assessment, which
527 was due and successfully completed in March. He stated this was considering the risk and
528 resiliency for the drinking water facilities. He stated they have optimized corrosion control
529 product in the water treatment plants, which has been somewhat delayed due to COVID-19, as
530 in-house testing must be done in people's homes to collect samples and ensure the product is at
531 the appropriate levels. He stated along with the ACSA and City, this has been delayed somewhat
532 until they get past the COVID-19 concerns.

533
534 Mr. Mawyer stated they are proud and pleased that, driven by the Strategic Plan goal to
535 continually evaluate, prioritize, and improve key business operation processes, they have found
536 over \$500,000 in annual savings, substantially by re-procuring their GAC media products and
537 getting competitive bids. He stated Mr. Wood's staff did a good job refinancing bonds for
538 Rivanna, which saved \$162,000. He stated they re-procured the waste containers that collect
539 wastewater debris and other waste, saving \$74,000. He stated they rebid one of the treatment
540 chemicals (glycerin), which saved almost \$28,000.

541
542 Mr. Mawyer stated they had 62 radios and decided they did not need this many. He stated they
543 were able to eliminate a number of radios, and they pay a pro rata amount to the regional
544 Emergency Operations Communications system based on the number of radios, so this will save
545 them money every year.

546
547 Mr. Mawyer stated they even got down to the minutia of what products they have in first aid and
548 safety supply boxes, as they had an expense close to \$10,000 per year, which they thought was
549 high. He stated staff and the safety manager were able to optimize that to reduce \$7,000 a year
550 they were spending on those supplies.

551
552 Mr. Mawyer stated they would have a one-time savings next year from not having to buy new
553 radios, as the new EOC system will require all the radios to be replaced. He stated because they

554 don't need so many radios, they will not have to buy as many, and will save \$97,000. Mr.
555 Mawyer stated they were pleased about the half-million dollars they have saved, going forward.
556 He stated next year, there were major projects coming up with the water treatment plant
557 renovations that are underway at Crozet, South Rivanna, and Observatory. He stated they have a
558 pipeline project from South Rivanna to the Ragged Mountain Reservoir, where they acquired a
559 number of easements already.

560
561 Mr. Mawyer stated they will complete an Urban Area Finished Water Master Plan to tell them
562 where they need to expand, replace pipes, and build pump stations or tanks within the urban
563 water system. He stated the real issue is about where a new central water line should be located
564 to supply the community (likely to be in the City of Charlottesville).

565
566 Mr. Mawyer stated they have a wastewater flow equalization tank that is going to be constructed
567 soon to support Crozet and minimize wastewater overflows. He explained they pump and pipe
568 all the wastewater from Crozet to Moores Creek, and they have to make sure the wastewater
569 stays in the pipe along that path.

570
571 Mr. Mawyer stated they would complete the Buck Mountain Master Plan and provide the board a
572 presentation in the coming months with options about management of that property.

573
574 Mr. Mawyer stated they have two regulatory actions they need to submit. The first is for a new
575 Virginia Water Protection Permit for the Crozet water system, to increase the amount of water
576 they can withdraw from Beaver Creek Reservoir, and also to renew permits for the urban water
577 system as they withdraw water from Ragged Mountain and Rivanna Reservoirs. He stated that
578 those permits expire in 2023, and need to be renewed in 2022. He stated one of the board's
579 Consent Agenda items was to authorize the engineer to get started with the investigations and
580 research required to complete a new permit application, and so that is underway.

581
582 Mr. Mawyer stated the budget is proposed to be \$37.1 million, which is 2.6% above last year. He
583 stated the increases include a \$163,000 increase in operating expenses, with the majority
584 (\$780,000) being debt service for projects that are already underway. He stated these charges
585 were essentially unavoidable. He stated they did speak with the City and ACSA, and they have
586 asked RWSA to have a zero cost increase for next year. He stated they have been working to do
587 their best to be able to achieve that goal.

588
589 Mr. Mawyer stated the City charges for next year would be around \$14.8 million. He stated the
590 Service Authority charges would be \$18.5 million. He stated they have other revenue they collect
591 from private septage haulers, who make 4,000 trips to Moores Creeks to dispose of septage. He
592 stated they are using \$1.7 million from Rivanna reserves to help balance the budget.

593
594 Mr. Mawyer presented the 15-year history of the operating budget. He stated that since 2016,
595 they have been above the average budget and improving the facilities that need to be repaired,
596 such as the water treatment plant renovations and wastewater work from the past.

597
598 Mr. Mawyer stated they have five reservoirs holding 3.3 billion gallons, six water treatment
599 plants, four wastewater treatment plants, a number of pump stations for water and wastewater, as

600 well as over 100 miles of water and wastewater piping. He stated they diversify their portfolio
601 with the stormwater facility at Lickinghole Creek. He stated they do this with 93.4 employees in
602 the RWSA. He stated their capital assets are \$257 million.

603
604 Mr. Mawyer stated of the budget increase (\$946,000), \$163,000 of it is for operating expenses,
605 largely made up of healthcare premiums. He stated they get their health insurance through
606 Anthem, and there are premiums required from Rivanna. He stated they have minor personnel
607 changes. He noted that the lease on the Observatory Water Treatment Plant will increase from
608 \$33,000 to \$100,000 on July 1. He stated debt service is increasing almost \$800,000 for projects
609 that are underway. He stated they have borrowed the money, and the debt payments have to be
610 made. He stated Crozet, Rivanna, and Observatory Water Treatment Plants are under
611 construction.

612
613 Mr. Mawyer stated the Crozet Wastewater Equalization Tank is going out to bid within a month
614 or two. He stated in the near future, they would have the Beaver Creek dam and pump station
615 improvements project underway that the Department of Conservation and Recreation is
616 requiring. He stated DCR passed new regulations in 2016 that required a spillway that would
617 pass 31 inches of rainfall water per day, and currently, Rivanna passes about 15 inches, so they
618 have a large project to make improvements to that spillway. He stated in order to do this, they
619 must move the pump station, which collectively totals a \$27 million project.

620
621 Mr. Mawyer noted revenues that will be lost next year. He stated they would no longer collect
622 the Buck Mountain surcharge (\$125,000). He stated they estimate that the wastewater nutrient
623 credits will be reduced by about \$45,000 because of the State's new WIP III requirements on
624 how they meet the EPA stormwater and water pollution reduction requirements for the
625 Chesapeake Bay.

626
627 Mr. Mawyer stated in February, when he initially met with Ms. Hildebrand and Mr. O'Connell,
628 the budget was \$38.4 million, which was \$1.3 million higher. He stated they did go back and
629 reduce it to meet the zero cost increase objective. He presented a list of things that had to be
630 eliminated in order to try to meet that objective including a merit increase for staff, three
631 positions that had been planned, and a reduction in consultant studies. He stated they estimate
632 they will not replace the GAC media quite as quickly to reduce expenses. He stated they have
633 other maintenance and a bathymetric survey items they eliminated from the FY 21 budget. He
634 stated deferring these items saved approximately \$1.3 million.

635
636 Mr. Mawyer stated that Rivanna would use reserves to help fund the expenses next year. He
637 stated they were using a total of \$1.7 million of reserve funds, and presented a list of things they
638 would use it on including the GAC media replacement in the urban system, Crozet, and
639 Scottsville; and other minor projects. He stated debt service is the largest driver of budget
640 increases, and they are funding all of that this year from reserves, with a note that this is a
641 practice they cannot continue and maintain a sound financial position.

642
643 Mr. Mawyer stated this year, they were asked to try to get the budget to a zero increase for the
644 City and the ACSA, which is what they proposed for FY 21. He stated in the preliminary budget,
645 they were proposing a 5.7% increase to the City, and 8.8% increase to the ACSA, so they had to

646 make a number of revisions to decrease both of those charges to zero. He stated in FY 22, there
647 are large charge increases planned, and they would schedule time to meet with Mr. O’Connell
648 and Ms. Hildebrand to work through what they can do and what the alternatives are to try to
649 reduce or spread out those increases in FY 22 to the latter years.

650
651 Mr. Mawyer stated these charges do include all operating expenses as well as debt service costs.
652 He stated they are using reserves of \$1.7 million for operating and debt and that collectively,
653 over the next five years, they have planned to use almost \$11 million of their reserves to help
654 fund the CIP.

655
656 Mr. Mawyer stated they anticipate issuing a revenue bond in FY 22 of around \$45 million. He
657 stated every couple years, they would need to issue a new bond to fund the CIP.

658
659 Mr. Mawyer presented the debt status. He stated currently, they have about \$200 million in debt,
660 for which they are paying over \$17 million per year in debt service payments.

661
662 Mr. Mawyer stated in 2019 he showed the board the chart of the debt service profile, and that in
663 FY 21, the profile is very similar. He stated the annual debt service payment has increased,
664 however, from \$15.7 million to \$17.7 million. He pointed to the total debt service, and to another
665 line that shows how the debt will increase with the proposed five-year CIP. He noted that around
666 2030-2031, they see some debt capacity, which is where they have programmed the beginning of
667 construction for the Rivanna Reservoir to Ragged Mountain Reservoir Pipeline Project.

668
669 Mr. Mawyer stated the budget proposed is \$37.1 million, at a 2.6% increase. He stated they
670 propose an operating budget of \$19.4 million, and debt service of \$17.7 million. He stated there
671 are no salary increases for staff, and no additional staff or any additional programs included in
672 the proposed budget. He stated this was in order to help them get to the zero percent increase for
673 the City and ACSA.

674
675 Mr. O’Connell thanked Mr. Mawyer, Mr. Wood, and Ms. Whittaker for all their work. He stated
676 there was a quick turnaround with the COVID-19 impacts on the economy, and that Mr. Mawyer
677 and his staff worked hard to get the increase down to zero for next year, which is a great benefit
678 to all the customers.

679
680 Dr. Palmer stated there would be a lot of work next year, or very soon, to deal with those
681 increases for FY 22. She thanked Mr. Mawyer as well.

682
683 Mr. Mawyer stated he was scheduling meetings with Mr. O’Connell and Ms. Hildebrand within
684 the next month to get started on that effort, as they have projects that are under construction, they
685 have borrowed the money for them, and they must be paid. He stated they do not have much
686 flexibility, but they will see what they can come up with.

687
688 Mr. Snook asked what cash reserves Rivanna has.

689

690 Mr. Mawyer replied they have about \$13 million for Urban Water, and \$12 M for Urban
691 Wastewater. He stated the reserves are segregated by cost into reserves for urban water, urban
692 wastewater, and non-urban cost centers.

693

694 Mr. Snook stated he assumed this was for management purposes rather than any legal
695 requirement.

696

697 Mr. Mawyer stated he believed so. He asked Mr. Wood if all the reserves were available, or if
698 some were restricted by the debt service covenants.

699

700 Mr. Wood replied that the reserves he has shown Mr. Mawyer are all the discretionary reserves
701 and are available for spending. He stated they are segregated out into rate centers because the
702 four-party agreement does separate out charges and costs to different rate centers. He stated the
703 two urban cost centers are shared by the City and County. He stated the other four non-urban rate
704 centers are supported by the Service Authority only. He stated 10-15 years ago, they separated
705 the reserves by rate centers for that purpose.

706

707 Mr. Snook clarified that he was not asking because he wanted to spend it, but was curious about
708 how close to the line they were coming.

709

710 Mr. Wood stated they have sufficient reserves currently, and that next month they were planning
711 to bring information to the board on reserves and how the bond rating agencies evaluate
712 Rivanna. He stated they were carrying quite a large amount of debt, and more so than most
713 normal service authorities like Rivanna. He stated one of the ways they do have to mitigate
714 having such a large debt load is having a very liquid balance in reserves. He stated it is one of the
715 ways they counterbalance it out. He stated roughly, they have around \$25 million estimated at
716 the end of 2020 to start 2021.

717

718 Mr. Snook stated he was looking at the graph of the total outstanding debt, showing that it
719 essentially quadrupled over the last decade. He asked if there was some sort of rule that as long
720 as one is below a certain percentage they are okay, but if they are over it, they are in trouble.

721

722 Mr. Wood stated there were several different rules and that it wasn't really based on debt load,
723 but on their capacity to generate revenue. He stated it is called a debt service ratio, and is how
724 much revenue they can generate net of expenses to pay for debt service.

725

726 Mr. Snook asked how Rivanna fares there.

727

728 Mr. Wood replied that they have a financial policy target of 1.5, meaning that for every \$100 of
729 debt payment obligation, the Authority must generate \$150 in net revenues, and the excess \$50 is
730 generated for reserves. He stated they have been meeting this for probably three out of the last
731 five years. He stated it has been a little tight over the past couple years, but this is what reserves
732 are for -- to be able to use them when needed, as they do now, and be able to build them back up
733 at a different time.

734

735 Mr. Snook asked if the ratio Mr. Wood used was a generally-accepted ratio within the industry as
736 far as being a sound business practice.

737
738 Mr. Wood replied yes.

739
740 Mr. Gaffney asked Mr. Mawyer what Rivanna's credit rating is.

741
742 Mr. Mawyer replied they were recently received an unsolicited review by Moody's, who
743 affirmed Rivanna's rating as AA2. He stated above rating that would be AA1, and then AAA. He
744 stated they are within the "premium investment" category as an AA2. He stated Moody's
745 commented on Rivanna being a strong utility, but did identify some weaknesses with the
746 significant debt load. He stated they would bring the board a report and more information on this
747 in the coming months.

748
749 Mr. Wood stated for S&P, they have an AA+ rating.

750
751 Mr. Gaffney asked Mr. Wood what their last rating was with their financing.

752
753 Mr. Wood replied that the last public offering they did was in 2012 to finance the Ragged
754 Mountain Dam, and that they received an AA+ from S&P and an AA2 from Moody's at that
755 time.

756
757 Mr. Gaffney asked if they have maintained these ratings throughout.

758
759 Mr. Wood replied yes.

760
761 Mr. Snook asked for the interest rate of those bonds.

762
763 Mr. Wood replied they are anywhere from 3.5-4.5%.

764
765 **Dr. Palmer moved the board adopt the attached preliminary rate schedule in order to hold**
766 **the public hearing the next month. The motion was seconded by Mr. O'Connell, and**
767 **passed unanimously (7-0).**

768
769 ***12. OTHER ITEMS FROM BOARD/STAFF NOT ON AGENDA***

770 Mr. Gaffney stated he had a question in reference to if, for some reason, the federal government
771 comes out with an infrastructure stimulus package. He asked if there were any shovel-ready
772 projects, and if they would even qualify to put those in.

773
774 Mr. Mawyer replied that they are taking a look at what they projects they have, and are trying to
775 read all the information available about the possibility of another federal stimulus program. He
776 stated the State Revolving Fund is available to Rivanna, and that Mr. Wood has worked with that
777 fund in the past. He stated the Crozet wastewater storage tank project will be "shovel ready" in
778 the coming months, so he was taking a look at this, but was not extremely optimistic that he has
779 projects that will receive any federal funding.

780

781 Mr. O'Connell stated he was also hearing that for the \$27 million project for Crozet, 40% of that
782 may be eligible for separate infrastructure funding.

783

784 Mr. Mawyer stated he understood that it was usually a 60/40 split, with the owner and the NRCS.
785 He stated they were pleased that they got the first round of the preliminary engineering approved,
786 which was a good step forward, and that they would like to get the preliminary engineering and
787 final design completed, and be ready for any available construction dollars.

788

789 ***13. CLOSED MEETING***

790 There was no closed meeting.

791

792 ***14. ADJOURNMENT***

793 **At 3:48 p.m., Dr. Palmer moved to adjourn the meeting of the Rivanna Water and Sewer**
794 **Authority. The motion was seconded by Mr. O'Connell and passed unanimously (7-0).**

795

796 Respectfully submitted,

797

798

799

800

801

802



Jeff Richardson
Secretary - Treasurer