

Albemarle County Service Authority Board of Directors

1 The Board of Directors of the Albemarle County Service Authority (ACSA) met in
2 a regular session on December 15, 2011, at 9:00 a.m. at the Administration and
3 Operations Center at 168 Spotnap Road in Charlottesville, Virginia.

4 **Members Present:** Mr. Roberts, Chairman, Dr. Palmer, Vice-Chairman; Messrs.
5 Carter, Colbaugh, Kittrell, Thomas

6 **Members Absent:** None

7 **Staff Present:** Messrs. Bowling, Gorham, Henley, M. Lynn, O'Connell, Ms.
8 Breeden, Mrs. Thraves and Mrs. Walker

9 **Staff Absent:** None

10 **Public Present:** Mr. Sean Tubbs, Charlottesville Tomorrow, Mr. John Martin,
11 Albemarle County Citizen

12

13 1. Call to Order

14 The Chairman called the meeting to order and a quorum was established.

15

16 2. Approve Minutes of November 17, 2011 and December 1, 2011

17 **(Recording Time: 09:03:02 a.m.)**

18 The Chairman asked if there were any corrections or additions to the
19 minutes of November 17, 2011.

20 Dr. Palmer stated that in past years she was one of the Board members
21 who kept insisting the minutes needed to be more detailed although she was
22 aware this was very difficult to do and took a lot of staff's time. She stated that
23 often she received minutes which were very helpful to her and after reading them
24 she was astonished at what she had forgotten or needed to focus on after the
25 meeting. She noted that she was very appreciative of the minutes and thanked
26 staff for their efforts. Mr. O'Connell stated that Mrs. Walker, Mrs. Herr and Mrs.
27 Grady deserved the credit for their work on transcribing minutes. He noted that
28 occasionally, the audio was difficult to understand, so the clerks would like to ask
29 the Board members to speak louder.

30 ***Mr. Carter moved to approve the minutes of November 17, 2011,***
31 ***seconded by Mr. Colbaugh. All members voted aye.***

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1 The Chairman asked if there were any corrections or additions to the
2 minutes of December 1, 2011.

3 ***Dr. Palmer moved to approve the minutes of December 1, 2011,***
4 ***seconded by Mr. Colbaugh. All members voted aye.***

5
6 3. **Matters from the Public Concerning Items Not on the Agenda** (Recording
7 **Time: 09:03:44 a.m.)**

8
9 4. **Response to Public Comment** (Recording Time: 09:03:57 a.m.)

10 There was no response to public comment.

11
12 5. **Consent Agenda** (Recording Time: 09:03:58 a.m.)

13 The Chairman asked if there were any questions or comments regarding
14 the Consent Agenda.

15 ***a. Monthly Financial Reports -***

16 ***b. Monthly CIP Report -***

17 ***c. Monthly CIP Authorizations*** – Mr. Colbaugh referred to the Oak Hill
18 Sanitary Sewer Phase 1 report on page 139 of the Board packet (Attached
19 as Page ____). He stated that he understood the project would now
20 include an additional extension and asked if the cost of the extension
21 would be covered under the Community Development Block Grant
22 (CDBG). Mr. Gorham replied that staff had asked Mr. Ron White of the
23 County of Albemarle if there would be a problem adding the extension for
24 the residence. He stated that Mr. White felt that the additional extension
25 would not be a problem, since the CDBG was based on the number of
26 connections.

27 ***d. RWSA Monthly Update -***

28 ***e. ACSA Board Policy Issues Agenda -***

29
30 ***Mr. Kittrell moved to approve the Consent Agenda, seconded by Mr.***
31 ***Carter. All members voted aye.***

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1 6. Resolution- Procurement Prequalification (Recording Time: 09:05:23
2 a.m.)

3 Mr. O'Connell noted that there were two purposes for the Procurement
4 Prequalification Resolution before the Board. He stated that the first purpose
5 was to include, in the procurement regulations, the ACSA's ability to conduct
6 prequalifications, which had become a common practice in the construction
7 industry. He stated that the Rivanna Water and Sewer Authority (RWSA) had
8 recently utilized the prequalification process for obtaining bids for the Ragged
9 Mountain Dam project. Mr. O'Connell stated that the second purpose was that
10 the ACSA wished to utilize the prequalification process for their upcoming
11 Supervisory Control and Data Acquisition (SCADA) project, due to its technical
12 complexity. He noted that the ACSA may utilize the prequalification process in
13 the future, but he was not certain.

14 Mr. Gorham stated that the SCADA project drove the need for a
15 prequalification process. He noted that staff had reviewed RWSA's
16 prequalification process used for the Ragged Mountain Dam project, and had
17 legal counsel review it to make certain it was current with state codes. Mr.
18 Gorham stated that the architect contracted for the ACSA facility renovations had
19 also expressed that the prequalification process would be beneficial. Mr. Carter
20 asked if the prequalification process would "weed out" some contractors early on,
21 saving the ACSA time and money. Mr. Gorham replied in the affirmative; as an
22 example, he stated the ACSA would not want a utility contractor to bid on the
23 SCADA project. Mr. Carter felt that the prequalification process would be
24 beneficial.

25 Dr. Palmer recalled a few years prior, the previous Executive Director had
26 provided the Board of Directors with a list of prequalified contractors, and it was
27 explained to the Board that there was a need for the prequalification process.
28 She asked what was used prior to the proposed prequalification process. Mr.
29 Bowling replied that Dr. Palmer was referring to Term Contract Consulting Firms.
30 Mr. Gorham explained that through the Procurement Act, the ACSA could utilize
31 Term Contract Consultants for any projects which were routine in nature. He

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1 noted that those projects were typically the ACSA's Capital Improvement
2 Program (CIP) projects. He explained that the process allowed staff to create a
3 scope for the project and then choose one of the three term contract consulting
4 firms to design the project, skipping the request for proposals (RFP) process.

5 Mr. Colbaugh stated that he was concerned that the prequalification
6 process would eliminate contractors from projects, such as the building
7 renovations project. Mr. Bowling stated that each time a new project was
8 proposed, it would still be brought before the Board for approval. He added that
9 the prequalification process was limited to the particular projects. He explained
10 that the policy would first need to be adopted; specific regulations for the project
11 would then need to be adopted.

12 Mr. Colbaugh asked if the Board could reject the lowest bid if the
13 contractor was not qualified. Mr. O'Connell replied in the affirmative. Mr.
14 Gorham stated that the Building Renovations Project was sent out in a RFP
15 instead of utilizing one of the term contract consultants. Mr. Colbaugh asked why
16 the ACSA wished to prequalify contractors for the building renovations project.
17 Mr. O'Connell replied that the prequalification process was necessary due to the
18 complex FM-200 fire protection system which was a part of the project. Mr.
19 Colbaugh stated that he understood how the prequalification process would be
20 beneficial for a highly technical project such as SCADA, but felt that with a
21 project such as building renovations, the Board could always reject the lowest
22 bidder if they were not qualified. He stated his concern with "shutting out"
23 contractors. Mr. Gorham stated that a major piece of the renovation was the
24 conversion of the fire suppression system in the server room to a FM-200 system
25 and the ACSA would want someone experienced with such system.

26 Dr. Palmer asked if a prequalification policy would keep smaller
27 companies from bidding on the project. Mr. Gorham replied that staff did not
28 intend to utilize the prequalification process on every project, only those which
29 were complex or technical and required specialized contractors. He emphasized
30 that typical water and sewer construction projects would not utilize the
31 prequalification process. He added that the prequalification process would be

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1 project-specific and include a package with specific criteria necessary. Mr.
2 O’Connell stated that staff would still bring the selected projects before the
3 Board, providing justification as to why it should go through the prequalification
4 process. He added that staff was asking the Board to pass the resolution to
5 allow the SCADA project to be one of the selected projects for the
6 prequalification process.

7 The Chairman referred to the resolution before the Board, on Page 163 of
8 the Board packet, requesting the adoption of the Prequalification Policy (Attached
9 as Pages ____).

10 ***Mr. Carter moved to approve the Resolution as presented to the***
11 ***Board, seconded by Mr. Colbaugh. The Chairman asked for a roll-call vote:***
12 ***Mr. Kittrell, aye; Dr. Palmer, aye; Mr. Carter, aye; Mr. Roberts, aye; Mr.***
13 ***Colbaugh, aye; Mr. Thomas, aye.***

14

15 7. **Resolution- Prequalification for SCADA (Recording Time: 9:14:48 a.m.)**

16 The Chairman referred to the resolution before the Board, on Page 171 of
17 the Board packet, requesting the adoption of the Prequalification Process for the
18 SCADA Implementation Project- Phase 1 (Attached as Pages ____). Mr. Gorham
19 stated that included within the Board’s blue folder was a one-page replacement
20 to Attachment C of the Prequalification Package for the SCADA project. He
21 noted that the addition related to the application for prequalification, and included
22 the addition of a check box if the bidder wished for the information submitted to
23 be considered a trade secret or proprietary information. He advised that the
24 addition would meet the requirements of the Prequalification Policy that the
25 Board had just adopted.

26 ***Mr. Colbaugh moved to approve the Resolution as presented to the***
27 ***Board, seconded by Mr. Carter. The Chairman asked for a roll-call vote:***
28 ***Mr. Kittrell, aye; Dr. Palmer, aye; Mr. Carter, aye; Mr. Roberts, aye; Mr.***
29 ***Colbaugh, aye; Mr. Thomas, aye.***

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1 8. Irrigation- Exclusion Meters (Recording Time: 9:16:38 a.m.)

2 Mr. O'Connell recalled that the Board had requested staff bring back the
3 Irrigation and Exclusion Meter Policies, which had been before the Board a
4 couple of times. He noted that staff was prepared to conduct a detailed briefing
5 of the topic if the Board wished. He explained that there was an existing policy in
6 place, and a grandfathered policy for systems that were in place and built in the
7 early 1990's. There was a consensus among the Board that a brief overview of
8 the topic, by staff, would be much appreciated.

9 Mr. Gorham explained that during the early to mid-1990's customers
10 began installing irrigation systems and did not wish to be billed wastewater
11 charges for water which did not enter the wastewater system. He noted that
12 customers installed private meters on their irrigation systems and the ACSA
13 deducted the amount for wastewater charges. Mr. Gorham stated that staff felt
14 compelled to establish a policy to handle those types of systems, and created the
15 Exclusion Meter Policy. He noted that the Exclusion Meter Policy was not a
16 written policy, but only how staff dealt with the issue.

17 Mr. Gorham stated that after the drought of 2002, staff determined the
18 need for the ACSA to individually meter irrigation systems. He stated that Ms.
19 Breeden and her staff had spent a lot of time developing an Irrigation Meter
20 Policy which went into effect on January 1, 2006. He explained that the policy
21 required new irrigation systems, from that point forward, to have a separate
22 dedicated meter off the water main which would belong to the ACSA. He stated
23 that during a drought warning, the ACSA restricted the usage of irrigation
24 systems and, with the implementation of the new policy, could then turn off and
25 lock the ACSA-owned irrigation meters to restrict usage.

26 Mr. Gorham stated that there were approximately 600 privately owned
27 exclusion meters remaining in the ACSA system which were grandfathered in
28 with the Exclusion Meter Policy. He advised that during another drought warning
29 in 2006, staff was brought in from other departments to assist in reading the 600
30 exclusion meters, every two weeks, to make certain customers were not utilizing

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1 their irrigation systems. He added that during an extended period of drought, the
2 expense of man hours to read these meters would significantly increase.

3 Mr. Carter asked if the water utilized for irrigation systems was
4 wastewater. Mr. Gorham replied that all water utilized for irrigation systems was
5 potable water. Mr. O’Connell stated that there were a few area businesses who
6 irrigated with rainwater, but not through the ACSA system. Mr. Gorham stated
7 that the recommendation from staff was not to add to the number of privately-
8 owned exclusion meters currently connected to the ACSA system.

9 Dr. Palmer asked if there was a “life expectancy” to irrigation systems. Mr.
10 Gorham replied that he was unsure what type of pipe was utilized for irrigation
11 systems, but staff did now review what type of irrigation system was being
12 installed after January 1, 2006 and incorporated an inspection of the system. Dr.
13 Palmer referred to exclusion meters and asked how often they should be
14 replaced. Mr. Gorham replied that the ACSA replaced their meters after 1.5
15 million gallons, and felt that the privately-owned exclusion meters should also be
16 replaced after that amount of flow passed through them but reiterated that the
17 ACSA had no control over those meters. Dr. Palmer recalled, when exclusion
18 meters failed, they generally did so in the ACSA’s favor. Ms. Breeden replied in
19 the affirmative. She stated that exclusion meters were installed behind ACSA
20 water meters. She explained, when an exclusion meter failed to register the
21 correct volume of water, the customer was billed for wastewater which was not
22 measured through the exclusion meter.

23 Mr. Colbaugh stated that he had requested the topic to be included on the
24 agenda for a variety of reasons. He referred to the Single-Family Residential
25 Water Usage and System-Wide Irrigation Water Usage Charts on page 42 of the
26 Board Packet (Attached as Pages ____). He stated that the chart showed that
27 ACSA customers utilized 110 million gallons of water, per month, in the winter.
28 He noted that during the summer months, 10 million gallons of additional water
29 was utilized per month, presumably through exclusion and irrigation meters. He
30 stated that there was approximately 20 to 30 million gallons of water used per
31 month that was referred to as normal usage, but well over 90% of that water was

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1 probably used outdoors. He reiterated that customers were paying wastewater
2 charges for that water, but the water was not going into the wastewater system.

3 Mr. Colbaugh stated that wastewater rates would increase in the near
4 future and he would like to offer customers an alternative. He explained that if
5 the customer could prove that the water was not entering the wastewater system,
6 they should not be billed wastewater charges on that volume of water. He stated
7 that the simplest and most accurate way to offer this alternative was to install an
8 exclusion meter next to the water meter, with a yard hydrant. He noted that
9 hoses could be attached to the yard hydrant to run sprinklers, victory gardens or
10 wash vehicles. He stated that another way to lower the wastewater charges
11 would be to charge a flat wastewater rate based on winter usage, but that
12 alternative would entail assumptions.

13 Mr. Colbaugh explained that an advantage of installing an exclusion meter
14 next to the water meter was the ACSA's requirement of a backflow prevention
15 device. He stated when customers connect a hose to the outside hose bib on
16 their house, there was no backflow protection. He advised that currently,
17 exclusion meters were only used for underground irrigation systems but felt they
18 could be used for the same purpose a customer would use the outside hose bib
19 on their house.

20 Mr. Colbaugh advised that customers who currently had an exclusion
21 meter were billed two service charges; one for reading the meter and the other
22 for meter replacement. He stated that the ACSA would never replace the private
23 exclusion meters, but customers were being charged an additional \$3.00 per
24 month. He referred to Mr. Gorham's comment regarding the need for the ACSA
25 to control outdoor water usage during drought warnings. He stated that the
26 ACSA could not control what customers did with their outdoor hose bibs, but if
27 the exclusion meter was installed next to the water meter, the ACSA could
28 determine the exact amount of water the customer had utilized. Mr. Colbaugh
29 advised that although exclusion meters could not be locked by the ACSA, the
30 customer could be heavily fined for disobeying the drought regulations.

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1 Mr. Colbaugh stated that staff should not worry about how customers used
2 the water as long as the water did not enter the wastewater system. He noted
3 that a problem with the current policy was if a customer wanted to install a
4 separate meter, the road would most likely need to be cut which was very
5 expensive. He felt that many customers would not take advantage of his
6 suggested alternative, but he wanted to be able to give customers the option. He
7 stated that his recommendation was to revise the Rules and Regulations to allow
8 and encourage the use of exclusion meters for measuring water which did not
9 enter the wastewater system.

10 Mr. Thomas asked if the additional demand on the ACSA water meters for
11 residences, which also had an exclusion meter, was due to the mechanical
12 function of the exclusion meter or due to the fact that a person with an exclusion
13 meter likely utilized more water. Mr. Gorham replied that the additional wear and
14 tear on the ACSA meter was due to the increased flow that the residence would
15 likely utilize. He added that the ACSA meters have a life expectancy of 1.5
16 million gallons, which was reached more quickly for residences with exclusion
17 meters. He stated that a customer who irrigates profusely in one season could
18 utilize as much as 300,000 gallons through their irrigation system, in addition to
19 their domestic water use. He explained, if you divide the 300,000 gallons into 1.5
20 million gallons, separate from the domestic use, the meter would need to be
21 replaced in six years, whereas typically meters are replaced every 15 years.

22 Mr. Thomas asked if the ACSA built into water rates, the per gallon wear
23 and tear on meters. He noted that he assumed in Mr. Gorham's example, the
24 customer would be a Tier 4 water user who would be paying a lot of money for
25 water use. Ms. Breeden replied that the wear and tear of meters was built into
26 the service charges Mr. Colbaugh had referred to, not into user rates. Mr.
27 Thomas stated if staff felt that there was a way that an Exclusion Meter Policy
28 could be developed, that included a cost to the customer for using that exclusion
29 meter, in a way that was fair and in a way to ensure accuracy and compliance,
30 then from a policy level, he could see the logic behind having such a policy.

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1 Dr. Palmer stated if staff was to encourage exclusion meters, customers
2 would no longer want an auxiliary meter. Mr. Gorham replied in the affirmative
3 adding that, if the policy was changed, he did not feel another auxiliary meter
4 application would be received. He noted that during a drought, exclusion meters
5 were read every two weeks and stated that the suggestion to heavily fine those
6 customers who use the water during a drought warning was good, but during a
7 severe drought the water used was water lost. He felt the ACSA's control of the
8 exclusion meters during a drought was the primary issue. Dr. Palmer asked how
9 many customer complaints the ACSA received regarding the issue. Ms. Breeden
10 replied that complaints were received in 2006 when the Irrigation Meter Policy
11 went into effect, therefore eliminating future exclusion meters. She stated that
12 the current policy only allowed for the use of auxiliary meters, so customers no
13 longer inquired regarding exclusion meters.

14 Mr. Gorham stated that there was a process in place to obtain an auxiliary
15 meter which was typically used for irrigation systems. He added that the ACSA
16 did not charge System Development Fees or impact fees for the auxiliary meters,
17 but only the cost and installation of the meter and its connection to the system,
18 which averaged \$1,800 per connection. Mr. Gorham noted that there were no
19 controls in place to prevent a customer from obtaining an auxiliary meter and
20 connecting it to a yard hydrant as long as the proper backflow prevention device
21 was installed.

22 Mr. Gorham pointed out that the ACSA had publicly stated that it would
23 apply aggressive conservation processes, and one way to do so was to track the
24 use of outdoor water. Dr. Palmer agreed, noting that it was potable water that
25 was being utilized to water lawns. She stated that during a drought, she felt
26 comfortable telling customers how they could use their water. She noted that the
27 Cost Allocation Agreement made it clear that the ACSA was committed to water
28 conservation. Dr. Palmer stated that she would not be in favor of changing the
29 policy.

30 Mr. Kittrell asked, if the policy was changed, how could the ACSA
31 determine the accuracy of the exclusion meters. Mr. Gorham replied since the

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1 ACSA did not own the exclusion meters, there was no way to determine their
2 accuracy. Mr. Roberts asked if the volume of water, which traveled through the
3 exclusion meters, was deducted from the wastewater charges that were billed to
4 the ACSA by the RWSA. Ms. Breeden replied that the ACSA was billed for the
5 wastewater that was treated at the RWSA and allocated to the ACSA. She
6 added that currently, the ACSA was being billed for more wastewater than the
7 ACSA was billing to their customers.

8 Mr. Colbaugh stated that he was not encouraging extra use of water. He
9 clarified that his suggestion was to allow customers who wished to save on
10 wastewater charges, an alternative, which exclusion meters were. He noted that
11 the ACSA would not change the methodology for billing wastewater charges. He
12 stated that the ACSA did not know how much water the customer who connects
13 a hose to the hose bib on their house used, but would know if they had an
14 exclusion meter connected to the ACSA system beside their water meter.

15 Mr. Thomas asked, with an auxiliary meter, did the ACSA charge
16 wastewater charges for the volume of water which ran through the auxiliary
17 meter. Mr. Gorham replied, no. Mr. Thomas asked what the functional
18 difference was between an auxiliary and exclusion meter. Ms. Breeden replied
19 that the exclusion meter was privately owned and installed behind the ACSA
20 water meter. Mr. Thomas asked if there was a practical difference between the
21 two meters, for water used for non-potable purposes. Mr. Gorham replied that
22 exclusion meters typically fed irrigation systems. He added that the proposal
23 was if someone wished to install yard hydrants, which could be for an efficient or
24 inefficient use of potable water. He stated that there was a policy to measure the
25 water, which was to install an auxiliary meter. He advised that there was a
26 payback period where the customer would recover the initial cost of an auxiliary
27 meter. Mr. Gorham stated that he did not see the need in adding to the number
28 of exclusion meters, which were problematic for the ACSA.

29 Mr. O'Connell stated that he felt the difference in the two meters were that
30 auxiliary meters were public and maintained for accuracy, and the exclusion
31 meters were private. He added that the Meter Testing Program results would

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1 prove that meter accuracy needed to be more aggressive. Dr. Palmer stated that
2 a drought occurred in the area every few years and staff was saying that the
3 exclusion meters were problematic and cost the ACSA more money. She stated
4 that she was not comfortable putting additional burdens on staff when there was
5 an option of purchasing an auxiliary meter. Mr. Roberts stated that he was not
6 prepared to vote on the issue.

7 Mr. Kittrell stated that he wanted a creditable, accurate system which was
8 controllable and verifiable. He felt staff could offer the alternative and promote
9 the use of auxiliary systems, which the ACSA could control and for which they
10 could verify accuracy. Mr. Thomas agreed, adding to change the policy he
11 needed to be convinced that the change was necessary and it appeared the
12 auxiliary meters would do the same thing exclusion meters could do. He stated if
13 people wished to pay extra for water used to irrigate their lawn, it was their right
14 as an American citizen.

15 The Chairman stated that the consensus of the Board was not to change
16 the Irrigation Meter Policy at this time.

17 Mr. Colbaugh stated that customers with exclusion meters pay an extra
18 monthly service charge, half of which was for meter replacement. Ms. Breeden
19 replied that she had previously provided the Board with an analysis which
20 showed that the service to an exclusion meter cost the ACSA \$2.21 per month
21 more than service to a normal water meter. Mr. Colbaugh asked to be provided
22 with a copy of that analysis. He felt that the meter reader would already be on
23 the property to read the water meter; the totals were equated by a computer and
24 sent out in a monthly bill. Ms. Breeden agreed, noting that the customer service
25 and backflow inspections and monitoring costs were additional.

26 Mr. O'Connell stated that today's discussion mirrored the discussion which
27 took place by the Board in 2009, and the discussions both reached the same
28 point. He felt that the guidance the Board was providing staff was to continue
29 with the current process at this time.

30 Mr. O'Connell advised that staff was starting to see the use of gray water
31 systems; where someone installed an irrigation system which reused water from

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1 the building for irrigation, but used potable water as “make-up” water which would
2 not be used unless the gray water in their system was depleted. He stated that
3 the ACSA’s policies do not provide for such systems and require customers to
4 pay for the connection fee for an auxiliary meter. Mr. O’Connell stated that this
5 issue had raised a policy problem, which may be brought to the Board in the
6 future. He added that staff may need to determine a way to handle such systems
7 that would be separate from the current irrigation meter policy.

8 Dr. Palmer understood that the Virginia Health Department (VDH) had not
9 developed a policy for those types of systems. Mr. O’Connell stated that the
10 VDH had a draft policy that was distributed in September 2011. He noted that
11 there were a couple of businesses and a school which had already installed gray
12 water systems. He added that a builder had discussed with him the possibility of
13 installing such systems as an enhancement in future homes. Dr. Palmer asked if
14 the topic was addressed in the Albemarle County Building Code. Mr. O’Connell
15 replied, no, but he felt it would be coming in the next few years.

16

17 9. Comprehensive Annual Financial Report (CAFR) **(Recording Time:**
18 **10:01:04 a.m.)**

19 Mr. O’Connell stated that staff would like to request this item be moved to
20 the January Board meeting agenda. He noted that all of the final information was
21 not yet available.

22

23 10. Water Supply Plan Report **(Recording Time: 10:01:27 a.m.)**

24 Mr. O’Connell stated that the Daily Progress was the only media outlet to
25 correctly report on the press release for the Water Agreement proposed on the
26 Ragged Mountain Dam and Pipeline (Attached as Pages ____). He stated that
27 several media outlets had reported that the project proposed was for a 30-foot
28 dam. He clarified that the dam was being built to a 42-foot increase, with a 30-
29 foot pool level. Mr. O’Connell advised that the trees in the reservoir would
30 remain until the future when the pool height would be raised. He stated that in
31 the negotiations it appeared that it was critical for the County and the ACSA to

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1 obtain an agreement which allowed for a 42-foot full-height dam built during the
2 initial construction. He noted that it took six to nine months of discussions with
3 the City to obtain such agreement. [Editor note: the full height dam is 112 feet,
4 which is equivalent to 42-feet higher than the current dam.]

5 Mr. Roberts stated that the press release was clearly stated. Mr.
6 O’Connell replied that, although the press release was clearly stated, every
7 media outlet other than the Daily Progress did not report on the issue correctly.
8 He felt, to those who were not involved in the negotiations, the press release was
9 probably not as clear and it should have been. Mr. O’Connell advised that he
10 would contact Mr. Maurice Jones, City Manager for the City to see if there was a
11 need for a revised press release. He added that he may need to include a
12 picture of the proposed dam and pool level. He noted that he would attempt to
13 contact other media outlets to clear up the confusion. Mr. O’Connell stated that a
14 majority of the media discussions taking place had nothing to do with the dam
15 height and pool level, but whether the agreement was a good deal for the County
16 or the City. He stated that there appeared to be voices on both ends of the deal,
17 which caused him to believe that the ACSA and the City reached a “middle”
18 which made sense.

19 Mr. O’Connell advised that the ACSA and City worked from “term sheets”
20 for major terms, concepts and detailed agreements, and they were being
21 finalized. He felt it would take approximately one week to have the documents
22 finalized. He noted that there was complexity in some of the items due to the
23 technical details such as the safe yield.

24 Mr. O’Connell advised that there were two sets of agreements; one being
25 the Property Use Agreement that the City, ACSA and RWSA would need to
26 approve. He explained that this agreement would allow for the construction of
27 the new dam at Ragged Mountain and the filling of the reservoir pool level to the
28 future 42-foot level. He added that it would also allow a future pipeline to be built
29 using land at Ragged Mountain and connect to the new dam, with the pipeline
30 going to the South Fork Rivanna Reservoir and coming back onto the City’s
31 property at the South Fork Rivanna Reservoir. He stated that the second

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1 agreement was the Cost Allocation Agreement. Mr. O'Connell advised that
2 although the two agreements were separate, they would be voted on by the
3 same parties; the City, ACSA and RWSA. He advised that the County of
4 Albemarle was officially a part of the Four Party Agreement, but the Board of
5 Supervisors would not vote with the exception of the County Board
6 representatives who sat on the RWSA Board. He understood that the City
7 Council would discuss the agreements at their meeting on December 19, 2011.
8 He added that the City Council had scheduled a Public Hearing for January 3,
9 2012 and they were expected to vote that night on the agreements.

10 Mr. O'Connell stated that he would provide the Board with a package of
11 details regarding the two agreements at their January meeting. He added that
12 the Board would also be provided with a copy of the final Property Use
13 Agreement and Cost Allocation Agreement. He stated that the Cost Allocation
14 Agreement mirrored the term sheet, but was a formal legal agreement. He noted
15 the challenge was that there were four different sets of lawyers and numerous
16 sets of staff that were all reviewing the documents and agreements.

17 Mr. O'Connell advised, although several Board members attended the
18 meeting, the Virginia Department of Environmental Quality (DEQ) had approved
19 the permit modification for the dam at their meeting on December 14, 2011. He
20 stated that the permit modification process had been lengthy, but every point that
21 had been raised was addressed by the DEQ, and their Board voted to approve
22 the permit modification.

23 Mr. O'Connell advised that the RWSA Board would discuss the
24 construction contract for the new dam at their meeting on December 28, 2011.
25 He stated that the construction bids received were almost identical to what was
26 allotted for in the budget, so there would not be any budget issues with moving
27 the project forward. He added that the construction of the dam would begin in
28 late February to early March of 2012, depending on weather and how fast the
29 agreements and contracts could be reached with the contractors.

30 Mr. Thomas commented that the primary reason he felt a 42-foot dam built
31 with a 30-foot pool height was a better deal, versus a 30-foot dam built with a 30-

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1 foot pool height, was that the numbers showed by building a full height dam and
2 later raising the pool height would bring a savings of over \$1.5 million. He stated
3 that there was no insidious plot to obtain a larger reservoir immediately; the
4 trigger would do so either way once the water use demand was present. Dr.
5 Palmer added that it had been estimated that in another 8 to 10 years, the area
6 would need to be constructed again to stock-pile dirt. She noted that the
7 decision was reached on an environmental and cost standpoint. Mr. O'Connell
8 stated that the DEQ had reviewed the proposal thinking it would happen in the
9 future, but all of the approvals were in place. He noted that DEQ's documents
10 were public, and discussed the project from an environmental standpoint.

11 Dr. Palmer stated that she was impressed with how thorough the DEQ
12 staff had reviewed and understood the plan. She added that the DEQ had
13 engaged the Water Control Board, which was also very impressive. She felt that
14 the DEQ endorsement of the project was very meaningful.

15 Mr. Kittrell complimented and thanked the ACSA staff; Mr. O'Connell, Ms.
16 Breeden and Mr. Bowling in particular, for the amount of work they put into the
17 negotiations and project so far. He additionally thanked Mr. Roberts and Dr.
18 Palmer who had also been involved in the negotiation process over the past few
19 weeks. He thanked Mr. Roberts for representing the ACSA Board at the DEQ
20 Board hearing for the permit modification process. He stated that the unanimous
21 vote by the DEQ Board at their hearing was gratifying.

22

23 11. Items Not on the Agenda **(Recording Time: 10:14:57 a.m.)**

24 Mr. O'Connell stated that he had provided the Board with a copy of a letter
25 he had received from the Virginia Dental Association (VDA) regarding fluoride in
26 drinking water and the benefit it had on reducing cavities. He advised that a
27 question had been raised at City Council and RWSA Board meetings by a
28 concerned citizen regarding the amount of fluoride in the water. He noted that
29 there were some studies in the public realm which question fluoridation in water
30 and whether it could cause health issues. Mr. O'Connell advised that RWSA
31 Board discussions held that all federal regulations and guidelines were being met

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1 with regards to the fluoridation in the water. He added that changes were made
2 by the Environmental Protection Agency (EPA) in late 2010 to drop the fluoride
3 level to 0.7 mg per liter, and were implemented by the RWSA in January 2011.
4 He stated that the VDH had agreed to bring their expert on fluoride to a public
5 meeting in early 2012 and noted that he had asked that the ACSA Board be
6 involved in the public meeting. He stated that there were numerous studies
7 available on the internet regarding the topic. He felt it would be an interesting
8 debate.

9 Mr. O'Connell stated that he had provided the Board with upcoming Board
10 meeting dates which they could include on their calendar. He advised that the
11 only dates included were for regularly scheduled third Thursday ACSA Board
12 meetings. He felt that the first Thursday meetings were not necessary to be
13 regularly scheduled, but could be scheduled as special sessions if needed. He
14 added that he had included the RWSA Board meeting dates for informational
15 purposes.

16

17 12. Executive Session (Recording Time: - Due to Executive Session, no
18 recording was conducted during this time period.)

19 Mrs. Walker read a Resolution to enter into Executive Session pursuant to
20 Virginia Code Section §2.2-3711 A (6) and A (7) to consider a cost allocation
21 agreement between the City of Charlottesville and the Albemarle County Service
22 Authority; and pursuant to Virginia Code §2.2-3711 A (6) and A (7) to consult with
23 legal counsel regarding the cost allocation of the Rivanna Pump Station; and
24 pursuant to Virginia Code §2.2-3711 A (1) to discuss a personnel matter
25 (Attached as Page _____).

26 ***Dr. Palmer moved to enter into Executive Session, seconded by Mr.***
27 ***Thomas. The Chairman asked for a roll-call vote: Mr. Kittrell, aye; Dr.***
28 ***Palmer, aye; Mr. Carter, aye; Mr. Roberts, aye; Mr. Colbaugh, aye; Mr.***
29 ***Thomas, aye.***

30 The Board of Directors came back into regular session. Mrs. Walker read
31 into record a Resolution stating that only matters so previously stated and

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1 exempted from open discussion in regular session were discussed in Executive
2 Session (Attached as Page _____).

3 ***Dr. Palmer moved to approve the Resolution as presented to the***
4 ***Board, seconded by Mr. Kittrell. The Chairman asked for a roll-call vote:***
5 ***Mr. Kittrell, aye; Dr. Palmer, aye; Mr. Carter, aye; Mr. Roberts, aye; Mr.***
6 ***Colbaugh, aye.***

7 Mr. Thomas was absent during the vote.

8

9 12. Adjourn (Recording Time: 11:40:55 p.m.)

10 ***There being no further business, Mr. Carter moved that the meeting***
11 ***be adjourned, seconded by Dr. Palmer. All members voted aye.***

12

13

14

Gary B. O'Connell, Secretary-Treasurer