

Albemarle County Service Authority Board of Directors

1 The Board of Directors of the Albemarle County Service Authority (ACSA) conducted a
2 work session April 22, 2009, at 9:00 a.m. at the Administration and Operations Center at
3 168 Spotnap Road in Charlottesville, Virginia.

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

6 **Members Absent:** None

7 **Staff Present:** Messrs. Fern, Gorham, M. Lynn, Henley, Bowling; Ms. Breeden, Mrs.
8 Thraves, Mrs. Walker

9 **Public Present:** None

10

11 **1. Call to Order**

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

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14 **2. Work Session – FY 2010 Proposed Budget (Recording Time: 09:00:30 a.m.)**

15 Mr. Fern referred to a memorandum dated April 7, 2009, which addressed the
16 following revisions made to the Proposed FY 2010 Budget and corresponding water and
17 wastewater rates. Mr. Fern explained in response to the Board’s comments at the last
18 meeting, the budget had been revised by removing the Oak Hill Sewer Phase I Project
19 from the FY 2010 Capital Improvement Program (CIP) and deferring it to FY 2011. It
20 was agreed, at the last meeting, the Glenmore and West Leigh Water Tank Studies
21 would remain in the FY 2010 CIP. In addition, the Automatic Meter Reading Test
22 Program, proposed in Scottsville, Virginia, would move from the proposed Finance
23 Department Operating Budget to the FY 2010 CIP. Mr. Fern stated ACSA staff was
24 proposing the following rates for FY 2010:

25

Rates	Proposed FY 2010 Rates
Service Charge (per month)	\$ 5.69
Residential water rates, per 1,000 gallons:	
Level 1: 0-3,000 gallons	\$ 4.11
Level 2: 3,001-6,000 gallons	\$ 6.77
Level 3: Over 6,000 gallons	\$12.38

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Multi-Family Residential Water Rate, per 1,000 gallons:	\$ 6.64
Sewer Rate, per 1,000 gallons	\$ 7.69

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2 In response to a question asked by Mr. Colbaugh, Mr. Fern stated that a
3 presentation of the proposed Automatic Meter Reading Program would be conducted at
4 the May meeting. Mr. Martin stated that within Mr. Fern's memorandum, dated April 7,
5 2009, the current water rates shown for Level 2 and 3 should be revised to \$6.10 and
6 \$10.90, respectively. This would adjust the corresponding percent differential from
7 those Proposed FY 2010 Rates of 11% and 13.6% for Level 2 and 3, respectively. Mr.
8 Fern apologized for the error in the memorandum. Mr. Martin stated that it had been
9 previously discussed that irrigation flows would be reviewed, since they showed a
10 surplus of approximately \$215,000. The surplus would be accounted for through a
11 separate line item and discussed at the Public Hearing.

12 Dr. Palmer stated she understood the ACSA had followed the County's lead in
13 the past on various issues. She asked if the Board would entertain any further
14 discussion of the proposed 2% merit pool. Mr. Wagner stated the ACSA Board had
15 been informed, in the past, on what the County was proposing in their fiscal year
16 budgets, but he was not certain the ACSA always followed the County's lead. Mrs.
17 Thraves stated the County had the ability to use other funds to supplement proposed
18 salary increases. Mr. Colbaugh confirmed there was a 0.5% difference between the
19 merit increase pool of ACSA employees and RWSA employees last year. Mr. Fern
20 agreed.

21 Mr. Wagner stated that it was his understanding the County was covering the
22 increase to the health insurance premium for County employees. Mr. Martin stated that
23 covering the health insurance premium for ACSA employees would be approximately
24 \$34,000; whereas, the 2% merit pool would be approximately \$65,000. While ACSA
25 employees received a 0.5% lower merit increase pool compared to RWSA, Mr. Martin
26 asked about the previous four years. Mr. Fern stated that he would review this matter.
27 Mrs. Thraves explained RWSA tends to follow the City's lead on benefits, as they

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1 shared the City's health care plan. Mr. Martin stated the difference between the RWSA
2 and the ACSA merit pools would then be irrelevant.

3 Mrs. Thraves added that this year the ACSA and RWSA were jointly conducting
4 a salary survey. Mr. Martin stated an argument had been made that there had been a
5 differential in the merit pool previously, between the RWSA and the ACSA. Mr. Fern
6 stated that while the issue had been raised, he did not believe it was appropriate to
7 compare any two agencies. Dr. Palmer stated that it may be important for the
8 community if all agencies acted in the same manner. Mr. Roberts stated that he
9 understood that this topic was discussed by the Board of Supervisors at their April 8,
10 2009 meeting. He understood the Board of Supervisors wished the ACSA would follow
11 the County example of a "no merit increase" this year. Mr. Carter stated that he had
12 thought about the issue and discussed it with Supervisors. He added that it was not
13 appropriate to follow the County's lead because we've "always done it that way." He
14 stated the ACSA was an independent body and should do what was best for its rate
15 payers and employees. Mr. Colbaugh agreed, and stated the proposal not to increase
16 the health insurance premium was a good one, and that agencies could be different.
17 Dr. Palmer stated she also had talked with her Supervisor. She added that she did not
18 feel a comparison between the ACSA and the County was appropriate, since the
19 County had a developed structure, which the ACSA was in the midst of developing with
20 a new Executive Director. Mr. Martin agreed that a comparison with the County may
21 not be appropriate, but that a comparison with RWSA was more appropriate.

22 Dr. Palmer stated she felt uncomfortable with Mr. Fern, who sits on the RWSA
23 Board, voting for no merit increase for RWSA and then recommending a merit increase
24 for ACSA employees. Mr. Wagner stated the Executive Director of RWSA proposed no
25 increase, after considering all factors. Mr. Fern agreed that he must respect the
26 decision of the Executive Director of RWSA, in presenting the FY 2010 Budget
27 proposal. Mr. Martin stated RWSA may revisit issuing a merit increase to their
28 employees. He added that he agreed with Mr. Carter, and at the last meeting stated the
29 ACSA should articulate its rationale regarding the 2% merit pool to satisfy the concerns
30 of other agencies. Mr. Carter agreed with Mr. Martin and stated that he was willing to
31 discuss any issue, but that he was not willing to reduce salaries. Mr. Roberts stated he

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1 had talked with his Supervisor regarding the parody of positions amongst the agencies.
2 He noted that during the Strategic Planning process the ACSA stated its commitment to
3 support its employees. He was disappointed the 2% merit pool was raised at the Board
4 of Supervisors' meeting.

5 Mr. Wagner stated he believed there was a difference between the ACSA and
6 the County, and that is was difficult to compare the work performed by each. Mr. Martin
7 stated there was no means for comparing the importance of one agency's work over
8 another. Mr. Colbaugh agreed with Mr. Martin. He added that regarding the 2% merit
9 pool he felt it was justified, due to the ACSA's decision not to cover the health insurance
10 premium increase and the ACSA cutting a position from the staff. Mr. Martin stated the
11 position was cut because it was believed not necessary. Dr. Palmer asked if the County
12 had cut any positions. Mr. Colbaugh responded that based on his understanding, the
13 County had not cut any positions. Mr. Martin added the County had frozen
14 approximately 50 positions and that additional work had now been delegated to current
15 employees. Mr. Wagner suggested the number of permits could be down due to the
16 economy; therefore, there was not as much additional work as believed. Mr. Fern
17 stated that it was difficult to compare organizations since each organization had
18 different needs. Mr. Wagner recommended the Board move to the next topic.

19

20 **3. Draft Dredging Feasibility Study Request for Proposal (Recording Time: 09:27:40**
21 **a.m.)**

22 Mr. Fern stated that in the packet was a Draft Dredging Feasibility Study Request
23 for Proposal (RFP), developed by the RWSA; City Council had reviewed the RFP and
24 made minor revisions, which were included. The RWSA was waiting for review
25 comments from the ACSA. Mr. Martin asked if this meeting had been advertised. Mr.
26 Fern stated the meeting announcement was placed on the bulletin board in the lobby
27 and on the ACSA's website. Mr. Wagner suggested the ACSA could take the following
28 positions:

29

30 1. The ACSA could inform the RWSA the RFP was acceptable and they should
31 move forward;

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- 1 2. The ACSA could recommend revisions to the RFP;
- 2 3. The ACSA could recommend revisions to the RFP and agree that RWSA
- 3 should not move forward on issuing the RFP.

4

5 Mr. Wagner added the ACSA did not vote against the development of the RFP at

6 the meeting of the Four Boards on March 3, 2009. Dr. Palmer stated the Boards did not

7 vote for or against an RFP for a Dredging Feasibility Study. She understood the City

8 was to express what they would like included in an RFP and reiterated that there was

9 no agreement to issue an RFP. In addition, she understood the City asked Mr.

10 Frederick to draft this RFP. Mr. Fern stated that it was his understanding RWSA was

11 instructed to draft the RFP and send it to the City for initial comments. Mr. Martin stated

12 he would have to review the minutes before expressing his understanding. Dr. Palmer

13 stated that since it was not her intention that an RFP be issued, she believed the ACSA

14 had no obligation to approve this RFP. Mr. Martin agreed with Dr. Palmer. Mr.

15 Colbaugh stated that he recalled Mr. Frederick had the RFP partially written and that it

16 was to be completed and sent to the City. He did not hear an objection from any of the

17 other Boards present at the meeting. He stated that it was reasonable to assume that

18 once an RFP was written, the obligation would be to move forward with its

19 advertisement. He stated the ACSA could comment on the RFP and place a limit on

20 the cost for the study, if so desired, but he believed that not moving forward with the

21 advertising of the RFP would be disingenuous. Mr. Martin disagreed, and stated that

22 had there been discussion of the RFP, objections would have been raised at the joint

23 meeting. Dr. Palmer asked if minutes had been prepared for the meeting. Mr. Fern

24 stated that based on previous meetings of the Four Boards, RWSA was drafting

25 minutes of the meeting.

26 Mr. Roberts recalled that a legal opinion was being sought on the impact of a

27 Dredging Feasibility Study on the Community Water Supply Plan (CWSP) permits. Dr.

28 Palmer concurred with Mr. Roberts. Mr. Roberts stated that until the legal opinion was

29 received and reviewed, he was not in a position to vote on an RFP. Mr. Roberts asked

30 if there was any need for a vote on the draft RFP today. Mr. Wagner stated the

31 Dredging Feasibility Study RFP was not on the April Agenda for RWSA. Mr. Fern

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1 stated that it was his understanding the Dredging Feasibility Study RFP would not be
2 discussed until the RWSA Board of Directors meeting in May. Mr. Roberts confirmed
3 the Dredging Feasibility Study RFP was not on the Albemarle County Board of
4 Supervisors' Agenda.

5 Dr. Palmer said it would be helpful to the Supervisors if ACSA's concerns were
6 stated. She added that she believed opposition to the CWSP would not end with the
7 dredging study. She believed that a smaller CWSP was desired by the City and further
8 discussion on the water demand analysis was what was driving the opposition. She
9 referred to the handout she had prepared in response to the Draft Dredging Feasibility
10 Study RFP. She expressed her concern that there was much misinformation being
11 circulated publically about the CWSP and that City Council was being provided with this
12 misinformation. Mr. Colbaugh stated he believed the City Council was looking for a
13 more current dredging cost than what had previously been provided. Mr. Martin stated
14 that he was not willing to use rate payer funds in order to finance the estimated
15 \$300,000 study. Mr. Colbaugh stated the ACSA could limit their expenditure of the
16 study to only the bathymetric survey, which was estimated to cost \$100,000. Dr.
17 Palmer stated that she understood the cost of the study was approximately \$400,000.
18 Dr. Palmer stated RWSA had already prepared a cost-per-unit of water stored in the
19 Ragged Mountain Reservoir Expansion and that this information showed there was not
20 a need for dredging for water supply reasons. She added there was no economic
21 reason to perform the study. Dr. Palmer stated that while a study would probably be
22 conducted, she was certain City Council desired a smaller CWSP. Mr. Wagner
23 concurred that a study would be conducted, but the ACSA should express its concerns
24 and put a cost limit on its' involvement. He stated since the legal question had not yet
25 been answered, regarding the impact of the study on CWSP permitting, no formal action
26 needed to occur today.

27 Mr. Martin stated the CWSP had gone through a public process, and by virtue of
28 the Four Party Agreement, all parties had agreed to the CWSP and he believed City
29 Council was now acting unilaterally. He felt it was important for the City to express its
30 concerns and wishes regarding the CWSP, and to understand that the ACSA was a co-
31 equal partner in the process. Dr. Palmer stated that City Council should be informed

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1 that if they wished to move forward with the study, they may do so at their own cost.
2 She asked if this position was legally acceptable. Mr. Bowling stated that it was not a
3 legal question, but if the Board so desired, they could pay for specific parts of the study.
4 Mr. Wagner asked for Mr. Carter's opinion. Mr. Carter stated that he agreed with Dr.
5 Palmer, in believing the study would not end the concerns of opponents of the CWSP.
6 He added the City Council was acting as though it was not concerned with the ideas of
7 the ACSA. He agreed that if the City wished to perform the study, then they should be
8 allowed to do so at their own cost. Mr. Roberts asked where in the budget the money
9 for the study would be taken. Mr. Fern explained the cost for the study would be borne
10 by the RWSA and be reflected in next year's wholesale rates. Mr. Colbaugh stated he
11 understood RWSA had \$300,000 in reserves, which could be used for the study. Mr.
12 Martin proposed that if the City paid for the Dredging Feasibility Study and it was later
13 agreed to implement dredging as part of the CWSP, then the ACSA could agree to pay
14 for their portion. Board members did not endorse that suggestion.

15 Dr. Palmer stated she agreed with Mr. Colbaugh in that the ACSA could pay for
16 the bathymetric survey. She added she remained concerned that City Council was
17 receiving their information from opponents of the CWSP and were questioning the water
18 demand analysis. She believed the Mayor had endorsed, publically, a smaller CWSP.
19 She stated it was important the CWSP remained on schedule.

20 Mr. Martin stated that it was important to review the minutes of the March 3, 2009
21 meeting of the Four Boards, and for the Board to consider a special meeting between
22 May 9 and May 18, prior to the RWSA Board meeting. Dr. Palmer stated it was
23 important for the ACSA Board to publically state their intentions regarding the Draft
24 Dredging Feasibility Study Request for Proposal. Mr. Martin stated he had prepared a
25 formal resolution, which could be the ACSA's position. Mr. Wagner stated he would like
26 to take a less formal approach, and asked why the bathymetric survey was required.
27 Mr. Martin stated the bathymetric survey was required as part of the permit documents,
28 and was necessary to determine flow release values. Dr. Palmer stated Board
29 members needed to realize there were different degrees of scope requirements for
30 bathymetric surveys; the survey, required by the permits had less trans-sections. Mr.
31 Martin asked when the bathymetric survey was required to be completed. Mr. Colbaugh

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1 stated his understanding from Mr. Frederick was the bathymetric survey would be
2 completed within three years.

3 Mr. Carter suggested the Board allow Mr. Fern and Mr. Bowling to compile the
4 intentions of the Board, pursuant to today's discussion. Dr. Palmer stated she recently
5 attended a City Council meeting and a Councilor commented that City Council had been
6 awaiting the Dredging Feasibility Study for the last year. She added that she had not
7 heard of the City requesting a Dredging Feasibility Study, prior to the most recent
8 discussion. Mr. Colbaugh stated the City Council had only received a dredging cost
9 estimate from Gannett Fleming, and they were looking for a more current estimate for
10 dredging the South Fork Rivanna Reservoir. He felt the ACSA should express that
11 RWSA should move forward with the Dredging Feasibility Study, provided that City
12 Council agreed to the following:

13

- 14 1. The study will not jeopardize the CWSP and permit process;
- 15 2. nor delay the CWSP process;
- 16 3. and the ACSA should limit the cost to be spent by the ACSA on the study.

17

18 He added the RFP did not talk about the CWSP, but only addressed dredging.
19 Dr. Palmer stated she believed City Council wished to revisit the CWSP. Mr. Martin
20 agreed with Dr. Palmer, and stated there would be no other reason to perform a
21 dredging study, if not to revise the CWSP. Mr. Colbaugh stated one reason to perform
22 the Dredging Feasibility Study would be to protect the water supply. Mr. Martin stated
23 that a CWSP had already been agreed to by all parties, and that there was no need to
24 perform a dredging study, which was not part of the CWSP. He reiterated that paying
25 for a dredging study at this time, would be a waste and abuse of rate payer funds. Dr.
26 Palmer stated that if the ACSA qualified an approval of moving forward with the
27 dredging study, the City would not agree. Mr. Wagner stated the City should state their
28 intentions directly, regarding the CWSP. Mr. Fern stated that he and Mr. Bowling would
29 draft a letter of the Board's intentions, and would submit it for Board members' review.
30 Mr. Carter asked who needed to approve the RFP. Mr. Fern stated the RFP would

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1 come before the RWSA Board of Directors for a vote to direct staff to move forward with
2 publishing the RFP. Mr. Wagner closed discussion on this topic.

4. Camelot WWTP (Recording Time: 10:10:07 a.m.)

5 Mr. Fern referred to a memorandum in the Board Packet concerning the Camelot
6 Wastewater Treatment Plant (WWTP). He stated that a permit had been issued to
7 RWSA regarding the Camelot WWTP. The permit provided for more stringent effluent
8 limits which will become effective April 15, 2013. Mr. Fern added RWSA was
9 concerned that if the ACSA did not complete the North Fork Regional Pump Station
10 Project, RWSA would not have had sufficient time to design and construct facilities, to
11 comply with the permit. This would subject the RWSA to significant penalties assessed
12 by the Virginia Department of Environmental Quality (DEQ). The ACSA had worked
13 with Mr. Tom Frederick and Mr. Kurt Kruger on the Resolution to confirm the ACSA
14 would complete the North Fork Regional Pump Station Project.

15 ***Mr. Colbaugh moved for adoption of the Resolution entitled "Albemarle***
16 ***County Service Authority Board of Directors Resolution Regarding the Camelot***
17 ***WWTP", seconded by Dr. Palmer. The Chairman asked for a roll-call vote: Mr.***
18 ***Martin, aye; Mr. Roberts, aye; Mr. Carter, aye; Mr. Wagner, aye; Mr. Colbaugh,***
19 ***aye; Dr. Palmer, aye.***

5. Items Not on the Agenda (Recording Time: 10:13:11 a.m.)

a. DEQ Stimulus Funding

23 Mr. Fern reported the Virginia Department of Environmental Quality (DEQ)
24 would receive approximately \$77 million from the U.S. Government for
25 stimulus funding. He stated the DEQ received 294 applications totaling \$1.3
26 billion in projects. Mr. Fern added the ACSA had submitted the North Fork
27 Regional Pump Station Project for this potential stimulus funding. The first
28 criteria used by DEQ in prioritizing projects, included that construction be
29 initiated by September 2009. Mr. Fern stated since the North Fork Regional
30 Pump Station Project did not meet the criteria, it was eliminated from further
31 consideration.

1 ***b. Water Conservation Report***

2 Mr. Fern referred to the Water Conservation Report prepared by the City
3 of Charlottesville and the ACSA. He noted that on Page 5, the water
4 conservation programs of the City and the ACSA were compared to other
5 municipalities in the United States. He stated the criteria for the comparison
6 were best practices developed by the American Water Works Association.

7 Dr. Palmer stated that at the City Council meeting on April 20, 2009, a
8 member from the public noted the water demand (on a per capita basis) that
9 was listed in the report was less than what was proposed in the Community
10 Water Supply Plan (CWSP). Dr. Palmer informed the Board the water
11 demand in the CWSP was an aggregate number, as compared to the value in
12 the Water Conservation Report, which was based only on residential
13 consumption. Dr. Palmer stated that she wrote an email to the City Council
14 explaining the difference.

15 ***c. Meadow Creek Interceptor and Stream Restoration***

16 Mr. Fern referred the Board to a brochure prepared by the City of
17 Charlottesville on the Meadow Creek Interceptor and Stream Restoration
18 Projects (Attached as Page ____). Mr. Fern informed the Board the ACSA
19 was part of a committee which would meet periodically, with its main
20 emphasis to inform neighborhood associations along the projects.

21 ***d. Employee Appreciation Picnic***

22 Mr. Fern invited each of the Board Members to the Employee Appreciation
23 Picnic which was scheduled for May 15, 2009 at Noon at Darden Towe Park.

24 ***e. Letters from the Public***

25 Dr. Palmer asked how the Board Members should address letters that
26 were received from the public. After some discussion, it was agreed that
27 correspondence received from the public would be addressed by the Board
28 member in that particular district.

29 ***f. Aqua Duct Newsletter and Bill Stuffers***

30 Mr. Colbaugh stated that he appreciated receiving the Aqua Duct
31 Newsletter and thought it was very informative. In addition, he mentioned the

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1 two inserts received in his water bills, specifically, the toilet test strips and the
2 Strategic Planning Letter, were very appropriate. He believed that both
3 represented good public relations.

g. System Development Charge

4 Mr. Colbaugh stated that regarding the North Fork Regional Pump Station
5 Project, since developers would pay special connection fees to cover the cost
6 by the ACSA to construct the facilities, these contributions may not be used in
7 the calculation of the System Development Charge. He realized the project
8 had not reached this stage, but wished to bring it to everyone's attention at
9 that time.
10

h. Budget Work Session

11 Mr. Colbaugh thought the Board should consider a workshop in May prior
12 to the RWSA Board Meeting. He suggested the Board could discuss such
13 topics as a sensitivity analysis for modification of the Community Water
14 Supply Plan and the Ragged Mountain Dam Expansion. A sensitivity analysis
15 addressing such issues as water conservation, produced revenue, and
16 reductions due to water conservation, could be addressed. He asked if a
17 Budget Work Session was going to be held on May 7, 2009, as previously
18 scheduled. Mr. Fern replied no, that any Budget items could be discussed at
19 the May meeting.
20

i. Employee Performance Ratings

21 Mr. Martin asked how employee performance was rated, as it related to
22 merit increases. Mr. Fern stated that employees were rated based on specific
23 criteria and the employee's average score was compared to others within their
24 department. Mr. Martin confirmed that everyone then received a merit increase.
25 Mr. Fern confirmed that those receiving a higher score, tended to receive a
26 greater raise by percentage.
27
28

29 **6. Executive Session- Executive Director Performance (Recording Time: – Due to**
30 **Executive Session, no recording was conducted during this time period.)**

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1 Mr. Wagner read a resolution to enter into Executive Session pursuant to Virginia
2 Code Section 2.2-3711 A (1) to discuss a personnel matter concerning the performance
3 of the Executive Director; (Attached as Page _____).

4 ***Mr. Colbaugh moved to enter into Executive Session, seconded by Mr.***
5 ***Roberts. The Chairman asked for a roll-call vote: Mr. Martin, aye; Mr. Roberts,***
6 ***aye; Mr. Carter, aye; Mr. Wagner, aye; Mr. Colbaugh, aye; Dr. Palmer, aye.***

7 The Board of Directors came back into regular session. Mr. Wagner read into
8 record a resolution stating that only matters so previously stated and exempted from
9 open discussion in regular session were discussed in Executive Session (Attached as
10 Page _____).

11 ***Mr. Colbaugh moved to adopt the resolution, seconded by Dr. Palmer. The***
12 ***Chairman asked for a roll-call vote: Mr. Martin, aye; Mr. Roberts, aye; Mr. Carter,***
13 ***aye; Mr. Wagner, aye; Mr. Colbaugh, aye; Dr. Palmer, aye.***

14
15 **7. Adjourn (Recording Time: 11:45:40 a.m.)**

16 ***There being no further business, Mr. Roberts moved that the meeting be***
17 ***adjourned, seconded by Mr. Carter. All members voted aye.***

18 _____
19 Gary W. Fern, PE, Secretary-Treasurer
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21
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23