

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 January 21, 2010, at 9:00 a.m. at the Administration and
3 Operations Center at 168 Spotnap Road in Charlottesville, Virginia.

4 **Members Present:** Mr. Roberts, Vice-Chairman; Messrs. Carter, Colbaugh,
5 Hilton, Martin, Thomas

6 **Members Absent:** None

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

9 **Public Present:** Mr. David Hilliard, Scott Collins, Robert Wood, Sean Tubbs
10 with Charlottesville Tomorrow and Chris Callahan with WINA

11

12 **1. Call to Order**

13 As Vice-Chairman, Mr. Roberts called the meeting to order and a quorum
14 was established.

15

16 **4. Election of Officers (Recording Time: 09:01:08 a.m.)**

17 The Vice-Chairman vacated the Chair and turned the meeting over to Mr.
18 Fern, who opened the floor for nomination(s) for Office of Chairman.

19 ***Mr. Carter nominated Mr. Roberts for Chairman.***

20 Mr. Fern asked if there were any other nominations. There being no
21 further nominations, Mr. Fern closed the floor.

22 ***Mr. Fern asked for a vote of those in favor of Mr. Roberts for***
23 ***Chairman. All members voted aye. Mr. Thomas was absent during voting.***

24 Mr. Fern returned the Chair to Mr. Roberts. The Chairman stated that he
25 saw the Office of Chairman as one person of a six member Board in which all
26 were equal. He asked that the Board work together on issues regarding the
27 provision of water and sewer service in Albemarle County. The Chairman
28 thanked the Board for their confidence in electing him as Chairman.

29 The Chairman asked for nominations for Vice-Chairman.

30 ***Mr. Martin nominated Mr. Carter for Vice-Chairman.***

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1 Mr. Carter stated that Mr. Martin had informed him of his intent to make
2 this nomination earlier in the morning. He felt that both Mr. Martin and Mr.
3 Colbaugh were interested in the position of Vice-Chairman. He added that both
4 Mr. Martin and Mr. Colbaugh had seniority and were better suited to serve as
5 Vice-Chairman. He stated that the position of Vice-Chairman was not a position
6 that he was seeking. However, if Mr. Martin or Mr. Colbaugh were not seeking
7 the position of Vice-Chairman, he was willing to “be a compromise”.

8 Mr. Colbaugh recalled that the Board of Supervisors recently entered into
9 Executive Session to discuss candidates for elections. He asked if there was
10 reason to enter into Executive Session to discuss candidates for Vice-Chairman.

11 Mr. Bowling replied that the Board could do so, but that it was at the
12 discretion of the Board. He stated that it was not absolutely necessary, unless
13 there was going to be discussion of personalities.

14 Mr. Martin stated that his understanding was that it was not permitted,
15 because elections were not a personnel matter.

16 Mr. Bowling stated there was language, in the Code of Virginia, which
17 suggested that it could be done, because it was for an office of a public body. He
18 stated that there was also an Attorney General’s opinion that suggested it could
19 be done.

20 Mr. Martin felt that the Board needed to be certain before entering into
21 Executive Session.

22 ***Mr. Carter nominated Mr. Colbaugh for Vice-Chairman.***

23 The Chairman asked Mr. Carter if he wished to be withdrawn from the
24 nomination of Vice-Chairman. Mr. Carter replied, yes.

25 The Chairman stated that the nomination on the floor was Mr. Colbaugh
26 for Vice-Chairman.

27 ***Mr. Hilton nominated Mr. Martin for Vice-Chairman.***

28 The Chairman asked for a motion that the floor be closed for nominations
29 for Vice-Chairman.

30 ***Mr. Carter moved that nominations for Vice-Chairman be closed. All***
31 ***members voted aye. Mr. Thomas was absent during voting.***

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1 ***The Chairman asked for a roll-call vote of who they wished to see as***
2 ***Vice-Chairman. Mr. Colbaugh, (Colbaugh); Mr. Roberts, (Martin); Mr. Carter,***
3 ***(Colbaugh); Mr. Hilton, (Martin); Mr. Martin, (Martin). Mr. Martin was elected***
4 ***Vice-Chairman. Mr. Thomas was absent during voting.***

5 The Chairman asked for nominations for Secretary-Treasurer.

6 ***Mr. Carter nominated Mr. Fern for Secretary-Treasurer.***

7 The Chairman asked that the floor be closed for nominations for
8 Secretary-Treasurer.

9 ***Mr. Carter moved that nominations for Secretary-Treasurer be***
10 ***closed. All members voted aye. Mr. Thomas was absent during voting.***

11 ***The Chairman asked for a vote of those in favor of Mr. Fern for***
12 ***Secretary-Treasurer. All members voted aye. Mr. Thomas was absent***
13 ***during voting.***

14 The Chairman asked for nominations for the Executive Committee, stating
15 that historically, the Chairman, Vice-Chairman and one member served on the
16 Committee.

17 ***Mr. Carter nominated the Chairman, Vice-Chairman and Mr.***
18 ***Colbaugh to serve on the Executive Committee.***

19 The Chairman asked that the floor be closed for nominations for the
20 Executive Committee.

21 ***Mr. Hilton moved that nominations for the Executive Committee be***
22 ***closed. All members voted aye. Mr. Thomas was absent during voting.***

23 ***The Chairman asked for a vote of those in favor of the Chairman,***
24 ***Vice-Chairman and Mr. Colbaugh for the Executive Committee. All***
25 ***members voted aye. Mr. Thomas was absent during voting.***

26
27 **2. Approval of Minutes of November 5, 2009, November 19, 2009,**
28 **December 3, 2009, December 17, 2009 and January 14, 2010**
29 **(Recording Time: 09:11:18 a.m.)**

30 The Chairman asked if there were any corrections or additions to the
31 minutes of November 5, 2009.

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1 ***a. Minutes of November 5, 2009***

2 Mr. Martin stated that on Page 2, Lines 4-7, he recommended a
3 correction. He asked that the sentence be amended to read as follows ... “Mr.
4 Frederick stated that interest had been expressed to keep dredging on the table,
5 as an option, so the Water Supply Plan was written around an alternative that we
6 knew would bring the water that would yield the need for 50 years, (which was
7 centered around the Ragged Mountain Dam), but also kept open for discussion,
8 at any time, the issue of dredging.”

9 Mr. Martin stated that on Page 6, Line 13, he recommended a correction.
10 He asked that the word “included” be corrected to read “excluded”. Mr. Martin
11 explained that there were four alternatives, which were then reduced to two, with
12 dredging eliminated at that point as one of the final stages. He stated that the
13 final two alternatives remaining were obtaining water from the James River, and
14 construction of a new Ragged Mountain Dam.

15 ***Mr. Carter moved to approve the minutes of November 5, 2009, as***
16 ***amended, seconded by Mr. Colbaugh. Mr. Carter, Mr. Colbaugh, Mr. Martin***
17 ***and Mr. Roberts voted aye. Mr. Hilton and Mr. Thomas abstained since***
18 ***they were not present during the meeting of November 5, 2009.***

19 ***b. Minutes of November 19, 2009***

20 The Chairman asked if there were any corrections or additions to the
21 minutes of November 19, 2009.

22 Mr. Martin stated that on Page 53, Line 27, he recommended a correction.
23 He asked that the sentence be deleted and replaced with the following sentence.
24 . . “Dr. Palmer stated, in regard to easement acquisitions for the North Fork
25 Regional Pump Station, that she wanted to make a point, for future purposes,
26 that the ACSA had ‘a seat at a table’ when rezonings take place, and as soon as
27 a rezoning goes through, the cost of the easements goes up. Dr. Palmer stated
28 that she believed it would be prudent for the ACSA to request, at the time of
29 rezonings, that any necessary easements be provided at no cost to the ACSA, or
30 some other kind of arrangement.”

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1 **Mr. Carter moved to approve the minutes of November 19, 2009, as**
2 **amended, seconded by Mr. Colbaugh. Mr. Carter, Mr. Colbaugh, Mr. Martin**
3 **and Mr. Roberts voted aye. Mr. Hilton and Mr. Thomas abstained since**
4 **they were not present during the meeting of November 19, 2009.**

5 **c. Minutes of December 3, 2009**

6 The Chairman asked if there were any corrections or additions to the
7 minutes of December 3, 2009.

8 **Mr. Colbaugh moved to approve the minutes of December 3, 2009,**
9 **seconded by Mr. Carter. Mr. Carter, Mr. Colbaugh, Mr. Martin and Mr.**
10 **Roberts voted aye. Mr. Hilton and Mr. Thomas abstained since they were**
11 **not present during the meeting of December 3, 2009.**

12 **d. Minutes of December 17, 2009**

13 The Chairman asked if there were any corrections or additions to the
14 minutes of December 17, 2009.

15 **Mr. Carter moved to approve the minutes of December 17, 2009,**
16 **seconded by Mr. Colbaugh. Mr. Carter, Mr. Colbaugh, Mr. Martin and Mr.**
17 **Roberts voted aye. Mr. Hilton and Mr. Thomas abstained since they were**
18 **not present during the meeting of December 17, 2009.**

19 **e. Minutes of January 14, 2010**

20 The Chairman asked if there were any corrections or additions to the
21 minutes of January 14, 2010.

22 **Mr. Carter moved to approve the minutes of January 14, 2010,**
23 **seconded by Mr. Colbaugh. All members voted aye.**

24
25 **3. Matters from the Public Concerning Items Not on the Agenda (Recording**
26 **Time: 09:18:52 a.m.)**

27 Mr. David Hilliard stated that he was building a senior living community in
28 the Old Trail Village, located in Crozet, Virginia. He stated that he was in
29 attendance today to speak before the Board regarding the increase in connection
30 fees, effective March 1, 2010. Mr. Hilliard stated that when he began the building
31 process in January 2008, connection fees were less than \$200,000. He stated

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1 that, as of right now, he had \$581,000 in his budget for connection fees. Mr.
2 Hilliard stated that on March 1, 2010, he would have to pay an additional
3 \$143,000 in connection fees. He stated that during this process, over the last
4 two years and due to financing delays, he hired the Healthcare 232 Program to
5 assist him in applying for a FHA Insured Loan, for which he was 1-2 weeks away
6 from approval. Mr. Hilliard stated that the Healthcare 232 Program was located
7 in Richmond, Virginia and were almost 50 days late from their normal prescribed
8 time in giving him an answer. He explained that after he received an answer
9 from the Program, it would take him an additional 45-60 days to close and reach
10 a point where he could pay the \$581,000 connection fees, putting him past the
11 March 1, 2010 deadline, and therefore, costing him \$143,000 more.

12 Mr. Hilliard stated that Mr. Roberts had informed him that if he were
13 allowed to defer connection fees until the closing, then it might not be fair to other
14 people, who had to pay at that time.

15 The Chairman asked that the record show that Mr. Hilliard was referring to
16 rate payers having to absorb the additional cost.

17 Mr. Hilliard pointed out that, even though he would be paying connections
18 fees at the time he obtained a building permit, he would not be using water or
19 sewer service for a period of 12-14 months during construction. He stated that
20 after that construction period, he had a 27-month "fill-up" period for the 126 units
21 in his building. Mr. Hilliard stated that the water and sewer usage that he would
22 be paying for, as of March 1, 2010, would be assuming that the building was
23 completely occupied, which he felt was at least four years away. He felt that he
24 would be paying his fair share long before he ever used water and sewer service.

25 Mr. Hilliard asked if the following could be considered: 1) he could be
26 grandfathered into the existing fees quoted, which were \$581,000, without paying
27 an additional \$143,000; or 2) if there was another way, or a process, where he
28 could pay a certain percentage as time went by, instead of paying the full
29 \$581,000, and lock in at 10% or 20%, before March 1, 2010. He stated that he
30 could come up with that amount right away and then, potentially come up with
31 the remaining balance at closing. Mr. Hilliard stated that then, if there was more

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1 equity, come up with 20% over the next two years until the building was
2 completed or full, which was truly the amount of water and sewer usage he would
3 be charged.

4 Mr. Colbaugh stated that it was his understanding that Mr. Hilliard would
5 not be charged a monthly service charge, because he would not be using water
6 and sewer service for two years. Mr. Hilliard stated, "So, the tap fees are not
7 necessarily usage of service." Mr. Colbaugh replied in the affirmative. He stated
8 that after a building permit was obtained, connection fees could be paid, but that
9 it was not required and solely left up to the individual. Mr. Hilliard stated that he
10 needed to know the "right" process to follow, to see if he could delay the large
11 amount of money that he would be required to pay up front; and to avoid paying
12 an additional \$143,000.

13 Mr. Colbaugh informed Mr. Hilliard that there would also be another
14 increase effective July 1, 2010. Mr. Hilliard stated that if he was not under
15 construction by July 1, then he probably would not build, at all. He stated that he
16 felt the matter needed to be addressed.

17 Mr. Martin asked Mr. Hilliard if he was confident that he would receive a
18 building permit before March 1, 2010. Mr. Hilliard replied in the affirmative. Mr.
19 Martin asked Mr. Hilliard if he understood that he did not need to pay connection
20 fees in order to obtain a building permit. Mr. Hilliard replied yes, but that he also
21 understood that if he did not pay connection fees before March 1, 2010, he would
22 end up paying more, and he was trying to keep his budget in line.

23 Mr. Martin asked Mr. Hilliard if he could borrow the \$581,000. Mr. Hilliard
24 stated that he was not sure whether or not he could borrow the money right now.
25 He stated that he was trying to prevent paying the increase.

26 The Chairman stated that there were several developers in the same
27 dilemma as Mr. Hilliard. He stated that the Board would take Mr. Hilliard's
28 concerns into consideration and discuss the matter further.

29 Mr. Fern asked Mr. Hilliard if he would be able to pay the connection fees
30 prior to March 1. Mr. Hilliard stated that without HUD financing, he could not pay
31 the \$581,000; those fees were part of the financing.

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1 The Chairman asked if there were any other members from the public that
2 wished to speak.

3 Mr. Scott Collins, a Civil Engineer with Collins Engineering, stated that he
4 was present today on behalf of Mr. Andy McGinty with regard to the increase in
5 connection fees associated with the Arden Place Project. He stated that
6 unfortunately, Mr. McGinty had a previous commitment and could not attend. Mr.
7 Collins stated that Mr. McGinty spoke previously to the Board in November and
8 December, and was asked to provide the Board with an update in January on
9 where the project stood, with respect to approval prior to March 1, 2010. He
10 stated that this week had been a good week, because they had received their
11 Certificate of Appropriateness from the Albemarle County Architectural Review
12 Board. Mr. Collins stated that Mr. McGinty had received comments from the
13 Albemarle County Service Authority's (ACSA) plan review and were working
14 closely with the ACSA on the oversizing of a water pipe for the project.

15 Mr. Collins stated that the County of Albemarle was working with Mr.
16 McGinty to move the project ahead, as quickly as possible, in order to meet that
17 March 1, 2010 deadline, which would be close. He stated that Mr. McGinty had
18 just recently applied for a building permit, which they hoped to receive by March
19 1, 2010. Mr. Collins stated that Mr. McGinty started the project in 2008, and that
20 he had set his budget based on connection fees at that time. He stated that Mr.
21 McGinty was expecting to pay an additional \$500,000 in connection fees for the
22 project. Mr. Collins felt that if Mr. McGinty could pay the connection fees prior to
23 March 1st, even if he did not have a building permit, it would be a huge benefit to
24 the ACSA because they would receive those funds in the coming fiscal year. He
25 stated that Mr. Fern had explained that the ACSA's FY 2010 connection fees
26 were based on 173 dwelling units. Mr. Collins stated that perhaps Mr. McGinty
27 would start construction on the project in June or July, with a 14-month
28 completion period for 212 dwelling units. He felt that by Mr. McGinty paying
29 connection fees, a year in advance, the ACSA would be provided with funds in
30 the coming fiscal year that would assist with failing infrastructure. Mr. Collins
31 stated that allowing Mr. McGinty, as well as other developers, to pay now would

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1 allow the ACSA to recoup the money that they felt may be lost by increasing
2 fees. (He explained that if the ACSA were to increase connection fees, some
3 developers may not be able to proceed with their projects.) Mr. Collins stated,
4 with regard to grandfathering, perhaps projects could be tied into preliminary plat
5 approvals. He felt there were many options and was happy to discuss those
6 options.

7 Mr. Colbaugh asked staff, if Mr. McGinty were to pay connection fees
8 before March 1, 2010, and then the project no longer existed, would the ACSA
9 refund Mr. McGinty? Ms. Breeden replied, yes. Mr. Colbaugh asked if those
10 funds would be refunded with interest. Ms. Breeden replied, no.

11 The Chairman stated that the Board would take Mr. Collins' request into
12 consideration, in addition to all the other requests, and that Mr. Collins, along
13 with other developers, would hear from the ACSA Board within the next several
14 months.

15 Dr. Liz Palmer, a resident at 2958 Mechums Bank Drive in Albemarle
16 County, stated that she would like to comment on the last City Council Meeting
17 held on Tuesday, January 19, 2010. She stated that her comments were in
18 regard to the Water Supply Plan. She stated that City Council had,
19 unfortunately, gone down the road of conducting additional studies that were
20 outside of the plan, with the intent of changing that plan. Dr. Palmer stated that
21 the City Council had approved another study, which would cost \$188,000, to
22 study raising the existing Ragged Mountain Dam by 13 feet. She stated that '13
23 feet' was a somewhat arbitrary figure that was determined years ago from a
24 study conducted by Gannett Fleming. Dr. Palmer stated that when Gannett
25 Fleming was asked how high the dam could be raised, Gannett Fleming replied
26 '13 feet,' but that a geotechnical study would be required to confirm the height.
27 Dr. Palmer stated that the City had asked the ACSA to help fund that
28 geotechnical work, which Mr. Fern had denied during a Rivanna Water & Sewer
29 Authority Board Meeting. She stated that it was her understanding that the City
30 would be asking the ACSA again, as well as asking the ACSA to help fund
31 additional studies related to dredging, with the idea of changing the plan.

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1 Dr. Palmer stated that the Water Supply Plan was for future generations,
2 to take care of future needs of the people and the rivers, but also incorporated
3 the repair of aging infrastructure.

4 The Chairman thanked all the public for their comments.

5

6 **5. Consent Agenda**

7 **For Information (Recording Time: 09:40:54 a.m.)**

8 The Chairman asked if the Board had questions or comments regarding
9 the Consent Agenda.

10

11 **a. *Monthly Financial Reports-***

12

13 **b. *Monthly CIP Report-***

14

15 **c. *Monthly CIP Authorizations-***

16 Mr. Martin stated that the Board was being asked to appropriate
17 \$128,100 for the St. George Avenue – Buck Road Water Main
18 Replacement Project. He stated that \$462,400 had been budgeted for
19 the project, and wondered if \$128,100 would be the total cost of the
20 project, for next fiscal year, or if there would be additional
21 expenditures. Mr. Gorham stated that \$128,100 was for design of the
22 project, which would be paid during the current fiscal year [FY 2010].
23 He explained that design for the project would begin during the current
24 fiscal year and possibly could carry over into next fiscal year. Mr.
25 Gorham stated that the \$462,400 was based on the replacement of St.
26 George Avenue and Buck Road, but there was a possibility there could
27 be additional scope added to the project.

28 Mr. Martin asked if the low price was due to the ACSA being able to
29 take advantage of reduced costs, due to the economy. Mr. Gorham
30 stated that the ACSA was seeing reduced costs, overall, for the

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1 construction of projects. He stated that typically, estimates for design
2 were based on a percentage of the estimated construction cost.

3 Mr. Martin stated that there was \$462,400 in the budget for FY
4 2010. Mr. Gorham replied correct, which was for design. Mr. Martin
5 asked if the ACSA would only have to spend \$128,100 in FY 2010.
6 Mr. Gorham replied yes, at this point, right now.

7
8 The Chairman asked for a motion that the Consent Agenda be approved.

9 ***Mr. Thomas moved to approve the Consent Agenda, seconded by Mr.***
10 ***Carter. All members voted aye.***

11

12 **6. Voluntary Early Retirement Incentive Program (Recording Time:**
13 **09:44:14 a.m.)**

14 Mr. Fern stated that at last month's meeting, the Board discussed a recent
15 amendment to the County's Voluntary Early Retirement Incentive Program
16 (VERIP). The Board asked that staff provide potential "cost savings" if the
17 Albemarle County Service Authority (ACSA) Board decided to make a similar
18 amendment. Mr. Fern stated that a memorandum, prepared by Mrs. Katrina
19 Thraves, outlined two different scenarios showing "best guess" retirement dates
20 and costs (Attached as Page _____).

21 The Chairman stated that it was his understanding that the proposed
22 amendment would be phased out through the year 2018. Mr. Fern stated that it
23 would be 2016.

24 Mrs. Thraves explained that Scenario A was "literally" the first eligible date
25 that an employee could retire under the Virginia Retirement System, with an
26 employee having to be between the ages of 50 and 55. She stated that full
27 retirement was 30 years of service, but that an employee could retire with less
28 service, at a reduced benefit. Mrs. Thraves stated that Scenario B was the more
29 "likely" date of retirement based on age, service and personal conversations.
30 She stated that many ACSA employees were interested in staying until they were
31 60 or 62, but that they had planned to take advantage of the VERIP benefits. If

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1 the VERIP benefits were changed, this could “hurt” those employees who wished
2 to stay.

3 Mr. Colbaugh clarified, that the table “Total Savings” were if the ACSA
4 implemented the program similar to Albemarle County and “Total Costs” were if
5 the program was kept the same. The total cost from 2012-2019 would be
6 \$106,791.

7 Mr. Thomas stated that he understood the subsidy was good for
8 “essentially” five years, regardless of the age at which an employee retired, and
9 how far the employee was away from age 65. He stated that if an employee
10 was eligible to retire at the age of 58, the subsidy would be good until they turned
11 63, and that an employee would then be on their own until Medicare took effect,
12 at age 65. Mrs. Thraves replied in the affirmative.

13 Mr. Colbaugh stated that the costs were not necessarily just medical. Mrs.
14 Thraves stated that the figures listed on the memorandum were just “salary”
15 stipends. Mr. Colbaugh stated that the ACSA also covered health insurance for
16 five years, which was in addition to that additional salary.

17 Mr. Thomas stated that once an employee became eligible to retire under
18 the Virginia Retirement System, it was his impression that the additional salary
19 was to cover health insurance premiums. He asked if the purpose of the
20 additional salary was to encourage early retirement. Mrs. Thraves replied, yes.
21 Mr. Thomas asked if this additional salary was paid out over a period of time?
22 Mrs. Thraves replied that the additional salary was paid out on a semi-monthly
23 basis. She stated that the average additional salary was between \$300-500 per
24 month, with \$7,200 per year for the health insurance benefit.

25 ***Mr. Colbaugh moved that the ACSA continue the VERIP Program, as***
26 ***is, without making an amendment similar to the County’s, seconded by Mr.***
27 ***Carter. Mr. Roberts abstained; all other members voted aye.***

28

29 **7. Oak Hill Phase 1 Sewer Project (Recording Time: 09:50:31 a.m.)**

30 Mr. Fern stated that the Albemarle County Service Authority (ACSA)
31 Engineering Department was currently working on this project. As part of the

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1 project, the ACSA wished to obtain grant funding from the Community
2 Development Block Grant (CDBG) Program. Mr. Fern stated that the ACSA
3 mailed out income surveys to 57 potential residents affected by the project, with
4 47 income surveys received, to date. He stated of the 47 received, 46 indicated
5 that they wished to connect to the wastewater system when constructed. Mr.
6 Fern stated that in addition, a telephone survey was conducted by the
7 Administration Department for those who had not yet responded. As a result of
8 the telephone survey, three individuals indicated that they did not wish to
9 connect, regardless of cost. He stated that currently, there were seven income
10 surveys still outstanding, with staff working to obtain responses. Mr. Fern stated
11 that one requirement of the CDBG Program grant application was for residents to
12 sign a User Agreement, which would be mailed to all residents who responded
13 positively to the income survey.

14 Mr. Carter asked if the residents who indicated that they did not wish to
15 connect, could be forced to connect. Mr. Fern replied no, that there was not a
16 Mandatory Connection Policy in Albemarle County.

17 Mr. Colbaugh asked if residents affected by the project that did not wish to
18 connect, if the ACSA received the grant, would have to pay connection fees in
19 order to connect in the future. Mr. Fern replied, yes.

20 Mr. Carter asked if that was the same situation in the Northfields
21 Subdivision. Mr. Fern replied yes, that residents were required to pay connection
22 fees if they wished to connect to the system.

23 Mr. Fern stated that the Board voted, at their last meeting, to waive all
24 connection fees for both low-to-moderate (LMI) income and non-LMI income
25 residents and that the sewer lateral, from the building to the sewer main, would
26 be installed as part of that project.

27 Mr. Martin asked, with regards to the income survey, if the ACSA had met
28 the LMI percentage requirement. Mr. Fern replied in the affirmative. Mr. Martin
29 asked if the project was, then, a "go". Mr. Fern stated that the project was not yet
30 a "go", because the Board had not yet authorized funds for the project. He stated

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1 that the ACSA needed to move forward with the preparation of the grant
2 application, which was due soon.

3 Mr. Fern stated that it was important that the ACSA receive a signed User
4 Agreement from residents who had indicated they wished to connect to the
5 system.

6 Mr. Thomas asked from how many of the 46 residents who had indicated
7 they wished to participate, did the ACSA need to have signed User Agreements,
8 under the terms of the grant. Mr. Gorham replied 75% of the 57 [total] residents
9 had to sign User Agreements, with 51% of those having to be LMI. He stated
10 that there were 28 LMI households, with 46 residents indicating on the income
11 survey that they were interested in connecting. Mr. Thomas asked if the required
12 number was of the total people in the development, not just the people who had
13 indicated that they wished to be part of the project. Mr. Gorham replied, correct.
14 Mr. Thomas stated that his understanding had been only the residents affected
15 by the project and if someone were to opt out of the project, would they then not
16 be affected by it? Mr. Gorham stated that Phase 1 of the project would not serve
17 all residents in Oak Hill. He stated that 57 was the total number of residences
18 that would be served by Phase 1 of the project. Mr. Thomas then confirmed that
19 it was just residents that could potentially be served, not based on who actually
20 would be served based on their willingness to participate. Mr. Bowling asked
21 what that total number of residences was. Mr. Fern replied 43. Mr. Thomas
22 asked, of the 43, were half required to be LMI? Mr. Gorham replied, yes which
23 would be 22 of the 28 LMI users having to sign a User Agreement.

24

25 **8. North Fork Regional Pump Station (Recording Time: 09:57:24 a.m.)**

26 Mr. Fern stated that previously staff requested authorization from the
27 Board to adopt a resolution regarding easement plats for part of the North Fork
28 Regional Pump Station Project. He stated that staff was again requesting
29 authorization, due to revisions that were made to some of those easements. Mr.
30 Fern stated that staff was asking the Board to approve the resolution to allow the
31 ACSA to move forward with condemnation, if necessary.

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1 Mr. Bowling explained that prior to filing a certificate, granting the ACSA a
2 right of “quick take”, the ACSA’s practice was to appear before the Board
3 requesting authorization as staff was doing today; staff then would inform the
4 landowner that there was intent to file a certificate. If a reasonable offer was not
5 accepted, staff would bring the matter back before the Board. He stated that
6 once this was done, a certificate could then be filed with the Board’s approval.

7 Mr. Thomas asked what the legal affect of a general resolution was? Mr.
8 Bowling explained that a general resolution was part of the process prior to
9 proceeding with a condemnation of a particular property. Mr. Bowling stated that
10 he had found, over the years, that a general resolution, brought before the Board,
11 avoided a “ticklish” situation during the course of the condemnation proceeding.
12 He stated that staff was doing an orderly paperwork process.

13 Mr. Thomas asked how negotiations proceeded prior to essentially a
14 “quick take”. Mr. Bowling explained that basically, in this case, the ACSA would
15 hire a professional appraiser, licensed by the Commonwealth of Virginia, and
16 negotiate with the landowner. The ACSA would then make a “good faith” effort to
17 get an accommodation from the landowner. Mr. Bowling stated that in the past,
18 the ACSA had been very successful in negotiating, with the ACSA only very
19 seldom, having to resort to the filing of a certificate. He stated that once a
20 certificate was filed, funds were deposited with the court while the project
21 continued. He stated his experience had been that, during the course of the
22 condemnation process, in the few cases where it had actually come to
23 condemnation, the ACSA filed the certificate and filed a suit, with each case
24 being settled.

25 Mr. Thomas asked if the ACSA had begun any specific negotiations for
26 the acquisition of easements? Mr. Fern stated that the ACSA had received
27 appraisals.

28 Mr. Bowling added that sometimes the ACSA would delay, as long as they
29 could, the filing of a certificate for condemnation. He stated that in the past, there
30 had been occasions where, because of the construction contract that the ACSA
31 had entered into, the ACSA had to file a certificate; and in that case, when the

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1 resolution was in place, it went a long way to making sure all necessary
2 documents were in order.

3 Mrs. Deborah Herr read a general resolution authorizing the acquisition of
4 easements for the North Fork Regional Pump Station Project (Attached as Pages
5 _____).

6 ***Mr. Colbaugh moved to adopt the resolution, seconded by Mr. Hilton.***
7 ***The Chairman asked for a roll-call vote: Mr. Thomas, aye; Mr. Colbaugh,***
8 ***aye; Mr. Roberts, aye; Mr. Hilton, aye; Mr. Martin, aye. Mr. Carter was***
9 ***absent during voting.***

10

11 **9. Biscuit Run Development (Recording Time: 10:04:31 a.m.)**

12 Mr. Fern stated since the Board's last meeting in December, the property
13 known as Biscuit Run had been sold to the Commonwealth of Virginia. He stated
14 that originally the property was proposed for a major housing development;
15 discussion now seemed to indicate the property being used as a State Park. Mr.
16 Fern stated that he was asked by several Board Members to place the item on
17 the Agenda for discussion. He stated that previously, when the project was in
18 rezoning for the Biscuit Run Development, the ACSA entered into an agreement
19 with the developer, Forest Lodge, LLC, stating that any improvements that
20 needed to occur to the ACSA wastewater system because of the development,
21 Forest Lodge, LLC would pay 100% of the cost. In addition, the ACSA also
22 entered into a Memorandum of Understanding for the Rivanna Water & Sewer
23 Authority infrastructure that needed to be upgraded. Mr. Fern stated that since
24 the intended project on that property would not be moving forward, the
25 agreements were no longer needed.

26 Mr. Martin stated that the ACSA struggled with the Biscuit Run Project for
27 quite a while, as well as the Board, with a lot of time and money spent in legal
28 and miscellaneous fees, which was rate payer money. He asked if there was
29 any idea of what those costs were. Mr. Fern replied no. Mr. Martin asked if
30 those costs could be more than \$100,000. Mr. Fern replied that he did not think
31 so.

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10. Items Not on the Agenda (Recording Time: 10:06:38 a.m.)

a. Board Contact Information Sheet

Mr. Fern asked that all Board members provide any changes to their contact information. He stated that staff would be finalizing the Board Contact Information Sheet this week.

b. Proposed Budget & Rate Schedule for FY 2011

Mr. Fern stated that he was providing to the Board a Budget and Rate Preparation Schedule for the next several months, which he had been asked to prepare.

c. Red Hill Waterworks Testing - Summary Evaluation

Mr. Fern stated that staff was providing to the Board a summary evaluation on testing to date, conducted at Red Hill. He stated the summary showed that the ACSA had excellent water quality in Red Hill.

d. Charlottesville City Council Meeting of January 19, 2010

Mr. Fern stated that the City was in the process of preparing a Request for Proposal (RFP) for Engineering Services to study the feasibility of raising the existing Ragged Mountain Dam by 13 feet. He stated that he had made a comment during the Rivanna Water & Sewer Authority's Board Meeting that the ACSA was not interested in contributing to that project.

e. Rivanna Water and Sewer Authority Board

Mr. Fern stated that City Council had appointed Mayor Dave Norris to serve on the Rivanna Water and Sewer Authority Board to replace Ms. Holly Edwards.

e. City Council

Mr. Fern stated that the City Council recommended having Rebecca Quinn and Russ Perry, who served on the Dredging Feasibility Study Selection Committee, "sit in" on meetings with consultants and the Rivanna Water and Sewer Authority, throughout

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1 the study project. He stated that the role of these two individuals
2 seemed to be in question. He stated that one of the ACSA Board's
3 options would be to also name two individuals to sit in on those
4 meetings. Mr. Fern suggested asking Dr. Palmer.

5 Dr. Palmer asked to address the Board, stating that she would be
6 glad to do so, if the Board chose to name two individuals. She stated
7 that she was not present at the City Council meeting, but did listen to
8 the recording. Dr. Palmer stated Mr. Tom Frederick made the point
9 that if City Council was going to have a "steering" committee, that the
10 committee should have representatives from the County and the City.
11 She stated that Mr. Frederick made mention that the City Council
12 needed to define what the committee's purpose would be. Dr. Palmer
13 stated that, early on, there was a comment from the public asking for a
14 "steering" committee to oversee the day-to-day operations, which was
15 when Mr. Frederick asked for clarification and warned against some of
16 the problems with a "steering" committee. She stated at the end of the
17 discussion, Mayor Norris stated that ... "well, if we're paying the
18 \$188,000, and the County and the ACSA are not contributing to that,
19 then we should have our own "steering" committee and it should be our
20 own people." Dr. Palmer stated that Mayor Norris' comment led
21 people to believe that he was referring to a "steering" committee for the
22 raising of the existing dam, by 13 feet, which she felt needed to be
23 clarified. She hoped that if there was a "steering" committee, the
24 ACSA was well represented.

25 Mr. Fern stated that City Council had discussed having a "steering"
26 committee for the Dredging Feasibility Study, which led to the
27 confusion. He stated that there was thought that perhaps the
28 "steering" committee could also be an oversight committee, to actually
29 direct the study, which he felt was very unprofessional, and should not
30 happen. Mr. Fern stated that there was discussion in the community
31 currently, which was why he brought the matter before the Board. He

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1 stated that the Board may wish to appoint two individuals to the
2 committee to ensure that directing the consultant and RWSA staff does
3 not occur. Mr. Fern stated that if it were to happen with this one study,
4 it could happen for all future RWSA studies.

5 Dr. Palmer stated that if the Board chose to appoint her as one of
6 the two individuals for the “steering” committee, she would be very
7 aggressive at well-defining the goal of the “steering” committee, so that
8 it would not turn into an oversight committee of engineers trying to do
9 their jobs.

10 Mr. Thomas stated that he was not sure what the purpose of a
11 “steering” committee would be on an engineering study.

12 Mr. Fern stated that he had heard that the committee would receive
13 information from the engineers and be responsible for disseminating
14 that information.

15 The Chairman stated that there were significant costs involved in
16 having engineers appear before a committee to provide results of
17 findings or reports. He asked if that cost would be included in the RFP.
18 Mr. Fern replied no, that this was for the Dredging Feasibility Study,
19 which was already ongoing. He stated that a “steering” committee
20 would “sit in” during meetings held with RWSA staff.

21 Mr. Thomas asked if those were meetings already opened to the
22 public. Mr. Fern replied, not necessarily.

23 The Chairman asked what the meetings would involve. Mr. Fern
24 stated they would be on-going work sessions with the RWSA staff and
25 engineers. The Chairman stated that if there was going to be an
26 oversight committee and the ACSA was part of the project, then it
27 appeared to him that the ACSA needed to be represented at those
28 meetings. Mr. Fern agreed.

29 After further discussion, Mr. Thomas stated that from the comments
30 he had heard, it appeared that the Board was interested in having a
31 voice in any “oversight” or “steering” committee for the dredging study,

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1 which was ongoing, but absolutely no interest in being involved in any
2 dam raising study, financially, oversight, steering or otherwise if it were
3 to be a City project funded by City funds. He stated that the Board
4 could appoint two members to be involved in the process to the extent
5 it's relative to dredging, but with the direction not to participate in any
6 dam raising study.

7 Mr. Colbaugh stated that the Board had not discussed the 13 foot
8 dam study. He stated that since the Executive Director of the ACSA
9 had already voiced an opinion, he wondered if there was a reason the
10 Board needed to discuss the matter and voice an opinion as to when it
11 may be reasonable to look at such an option.

12 The Chairman asked, with regard to the Cost Allocation Agreement
13 for the Dredging Feasibility Study, if the Board should discuss how
14 much the ACSA was willing to pay.

15 Mr. Colbaugh stated that his point was, what if the first public
16 hearing, held at the end of February, indicates that dredging is a
17 positive benefit? The ACSA may want to consider further dredging
18 studies in Phase 2, as well as increasing the dam by 13 feet.
19 However, if the first phase of the dredging study indicates that
20 dredging is not positive, then the ACSA may wish to indicate that they
21 are not interested in participating in a dam study and any further
22 dredging. Mr. Colbaugh stated that he completely agreed that the
23 ACSA Board should move forward with the permit design currently
24 being conducted on the dam, but that there were other options that the
25 ACSA said they would look at during Phase 2 of the Dredging Study.
26 He stated perhaps that may be the time where the ACSA Board may
27 also want to consider a 13 foot dam study. Mr. Colbaugh stated that
28 he felt it was not appropriate to proceed with the 13 foot dam study, but
29 he did not think the ACSA should say absolutely never, ever.

30 Mr. Hilton asked if these alternatives were reviewed in the original
31 study conducted by Gannett Fleming. Mr. Colbaugh replied yes. Mr.

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1 Hilton asked if the 13 foot increase, or any other height to the existing
2 dam, was reviewed and dismissed. Mr. Colbaugh stated yes, along
3 with dredging, but now a dredging study was being conducted, which
4 the ACSA had committed to do.

5 Mr. Hilton stated, "I am speaking most directly to the raising of the
6 height of the existing Ragged Mountain Dam, which possibly is not a
7 very wise thing to do, because the dam is roughly 110 years old. You
8 are talking about 50-100 years hence, it would seem a little bit off the
9 deep edge to consider a 13 foot raising right now. For the City to
10 consider doing so, on their own, is weird, because I believe everyone
11 in the community should be participating and agreeing to do certain
12 types of things. It seems that Charlottesville, Albemarle and whoever
13 else is getting in a position where they are at total odds with each other
14 is not a wise way to operate. As far as the 13 foot addition to the dam,
15 which has already been dismissed, the ACSA should not get involved
16 with that; and dredging is also questionable because of all the
17 problems that are involved in dredging, with some not having been
18 discussed yet, and [that] would probably doom that. I am a little leery
19 in being involved in dredging."

20 Mr. Fern stated that the Board had already authorized funds to be
21 paid for the Dredging Feasibility Study. He clarified that in Phase 1 the
22 characterization of the material in the reservoir would be determined,
23 as well as the benefit of removing the material. He added, whether or
24 not dredging was feasible would not be known after Phase 1.

25 Mr. Martin stated, "I think we also need to recall our position, as I
26 understand it; we have a Water Supply Plan. We are not considering
27 revising that Water Supply Plan. We are not considering revising it
28 with dredging. We took the position that the Dredging Feasibility Study
29 was not needed, because we have a Water Supply Plan, and then
30 ultimately we compromised and agreed to pay for some of the costs of
31 the study. Some of the results of this study are going to implement the

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1 recommendations of the South Fork Rivanna Reservoir Stewardship
2 Task Force, which recommended certain things that might be
3 considered for the reservoir, but not as part of the Water Supply Plan.
4 Unless anybody else feels otherwise, I think our position is intact, that
5 we are in support of the Water Supply Plan.”

6 Mr. Thomas stated, “My understanding is that, in addition to being
7 essentially a ‘good faith’ gesture to foot a portion of the cost of the
8 dredging study, that we did not think was necessary at the time, it was
9 also understood that dredging was not necessarily at cross purposes
10 with the water plan. That dredging was always a ‘stop gap’ measure to
11 increase, or basically to put off, the expenditure that would be
12 necessary under the plan. It’s not antithetical to building the new dam,
13 or otherwise, it’s essentially cleaning out what’s there to buy time so
14 that the silt buildup didn’t overwhelm the current system. Whereas,
15 building 13 feet of additional height onto a 110-year-old dam is actually
16 completely antithetical to the existing Water Supply Plan that
17 contemplates shoring up what exists rather than planning for the
18 future.”

19 Mr. Martin agreed that dredging was antithetical to the approved
20 Water Supply Plan. Mr. Bowling agreed. Mr. Fern felt that dredging, in
21 his opinion, could be done in addition to the Water Supply Plan and did
22 not oppose the Water Supply Plan.

23 Mr. Martin stated, “It can be, but this community could never afford
24 to dredge the reservoir and build the dam according to the Water
25 Supply Plan.”

26 Mr. Thomas stated that he saw a distinction between the two, with
27 the dredging plan simply buying more time before an increase in
28 capacity, as necessary, vs. increasing the capacity by extending the
29 current dam, which would be an enormous expenditure. He stated that
30 he saw the two different in character, but felt that this was something

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1 the Board needed to discuss in more detail, at some point in the
2 immediate future.

3 Mr. Colbaugh stated, "I just think that dredging is an operational
4 necessity to any body of water that you're using for water supply, at
5 some level. I just say, at some point and time, at some level, you
6 ought to preserve the reservoir that you have. Whether it's a small
7 amount of dredging or a large amount of dredging, dredging is part of a
8 normal reservoir operation. I think it's compatible with the Water
9 Supply Plan."

10 Mr. Martin stated, "The South Fork Rivanna Reservoir Task Force
11 considered this specific point. It considered what would happen, if no
12 dredging is done in the reservoir, and the conclusion was basically,
13 that the reservoir would return to a more riverine kind of body of water
14 than a reservoir. A huge amount of flow would continue through that
15 area, and the dam would stay there, and there would always be an
16 area for water intake, in and around the dam, even if you did no
17 dredging at all. There might be other reasons for dredging, like
18 aesthetic reasons, recreational reasons to preserve the rowing venue
19 for UVA. We don't have to dredge for water supply purposes. There is
20 no requirement to do it. The worst case for the reservoir is that it will
21 return to a more riverine, beautiful body of water. Just because it's a
22 reservoir does not mean we have to dredge it."

23 Mr. Hilton stated, "I think that both of these actions may ultimately
24 have to be done. I would suggest that we go ahead with the original
25 plan as the first order of business, because the cost of that, will
26 increase with time, just as with the Meadow Creek Parkway cost,
27 which tripled what it would have been if they went ahead with it earlier.
28 So Charlottesville, in my view, is using delay tactics for no real ultimate
29 purpose. It just boggles my mind; it just doesn't make sense to me
30 why they would be doing these things on their own without working
31 with this Authority and the Rivanna Water & Sewer Authority."

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1 The Chairman stated, "That was only an independent body and
2 they are of their own." Mr. Hilton further acknowledged, "It's just not in
3 the best interest of the overall community."

4 Mr. Colbaugh stated that there were two issues before the Board.

5 The Chairman agreed and asked the Board if they felt the need to
6 appoint individuals to the "steering" committee. Mr. Fern replied that
7 he would obtain more information on the committee before the Board
8 made a decision. The Board agreed.

9 Mr. Colbaugh stated that the other issue before the Board was
10 whether or not to participate in the dam study.

11 The Chairman stated that the Board had been asked and that Mr.
12 Fern indicated that the ACSA was not interested in funding a study to
13 raise the existing height of the dam. He stated if the City were to ask
14 again, later, then the Board would act on the matter, but to act on the
15 matter now was a little inappropriate. Mr. Fern stated that he had not
16 received any formal requests for funding a study to increase the height
17 of the dam.

18 Dr. Palmer stated, "For anybody that would like to know more about
19 the option of the 13 feet, I would strongly recommend that you meet
20 with Chris Webster with Schnabel. He sat down with many people,
21 individually, and explained in his best professional opinion that it is a
22 waste of money to do that study, and he had very good technical
23 reasons why. The other thing is learning about the water supply with
24 respect to dredging. One of the problems is that there is only so much
25 money here. We have an aging dam right now that is under a
26 temporary permit, and the level of water needs to be drained every
27 year during hurricane season because it is not safe. We have to deal
28 with our aging infrastructure, so the idea that dredging would put off,
29 into the future, repair of that dam is not consistent with the safety
30 issues. For many people, that have been involved with the Water
31 Supply Plan, to say 'fine' if the community wants to dredge later on,

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1 that’s okay. But, we need to deal with the aging infrastructure and the
2 safety issues first and then look at that later. That’s one of the reasons
3 why this Board decided not to participate in a full dredging study, but
4 rather only in those things that we would need to do anyway, which
5 was the bathymetric study and a few other ancillary things, and a
6 couple meetings to make sure that everything was brought forward.”

7 ***f. Hardware Street Water Main Extension Project***

8 Mr. Colbaugh noted in regard to the water main to be constructed,
9 that there currently was not a water pipe located on Hardware Street.
10 Mr. Fern replied in the affirmative. Mr. Colbaugh asked if the residents
11 on Hardware Street had been notified of the project, and if they were
12 aware that they could pay connection fees prior to March 1, 2010. Mr.
13 Gorham replied that the ACSA had not yet received the 50% design.
14 He stated that typically, the ACSA holds an informational meeting after
15 receiving the 50% design. Mr. Colbaugh stated that it would be nice to
16 hold an informational meeting prior to March 1, 2010. Mr. Gorham
17 stated that residents were notified about the surveying conducted a
18 few months ago. Mr. Fern stated that he understood Mr. Colbaugh’s
19 concern. He stated that with connection fees increasing as of March 1,
20 2010, that the ACSA could notify those residents ahead of time. Mr.
21 Colbaugh asked if it was not planned to provide any connections to
22 that pipe. Mr. Gorham stated that the question asked by the consultant
23 was whether or not the ACSA wanted to “show” water meters along
24 that main, which the ACSA agreed to do. He felt that it was best to
25 install those meters now, so the road would not have to be excavated
26 for anyone wishing to connect later.

27 ***g. Water Meter Testing Program***

28 Mr. Colbaugh stated that the Board had decided during the budget
29 process that the Water Meter Testing Program would be a Capital
30 Project. He asked what the status was on the project. Mr. Colbaugh

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1 stated that he did not wish to save money by not doing projects that
2 the Board had approved.

3 ***h. Work Session (discussion held at this point after the Executive***
4 ***Session)***

5 Mr. Fern asked if the Board wished to schedule a work session for
6 February 4, 2010. He stated that he had not received word of a topic
7 or if the Board wished to meet.

8 Mr. Carter asked if the Board should be discussing or taking action
9 on concerns heard earlier today from developers regarding the
10 increase of connection fees. He stated that indication was made to
11 those developers that the Board would get back with them on the
12 matter. Mr. Carter asked if the matter could be discussed at a regular
13 meeting, or if a work session needed to be scheduled.

14 Mr. Colbaugh stated, "We said that we were going to get back to
15 them, we went through it at a regular meeting and said not only no, but
16 hell no, and then that's where we left it. That was the vote that was
17 taken. I believe it was a 5 to 1 vote."

18 Mr. Fern stated that Dr. Palmer did ask Mr. McGinty to attend this
19 meeting to provide an update; and the matter was left that there was
20 room for discussion.

21 The Chairman stated, "Also, you are working with a lot of people on
22 this issue, and are in the area of entertaining them and getting all the
23 people together, I believe, aren't you?" Mr. Fern replied that he had
24 spoken with the Blue Ridge Home Builders Association. The
25 Chairman asked if Mr. Fern had met with Mr. Todd Dofflemyer. Mr.
26 Fern stated Mr. Dofflemyer cancelled that meeting and had not yet
27 rescheduled. The Chairman asked if all the financial information
28 requested in the FOIA, by Mr. Dofflemyer, had been provided. Mr.
29 Fern replied yes.

30 Mr. Thomas stated that he understood there had been some
31 discussion among the Board on prepayment of connection fees. He

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1 stated that he understood the opinion of the Board was that the ACSA
2 had no authority to hold money not properly assessed at that time
3 period, and so there was no mechanism for the prepayment of
4 connection fees to lock-in a rate prior to March 1, 2010.

5 Mr. Colbaugh stated, "That's not true. Right now the regulations
6 say that you have to have a building permit. If we said that preliminary
7 plats are good enough we could change that."

8 Mr. Thomas stated that he would be interested in examining the
9 possibility of essentially providing more predictability. He felt that the
10 Board should not be making exceptions on a "case by case" basis. Mr.
11 Thomas felt that it would be worthwhile for the Board to examine
12 whether or not a change like that would provide greater predictability to
13 developers who were in the approval process. He provided an
14 example, such as quoting connection fees at the date of final site plan
15 approval from the County. He felt by doing so, a developer's budget
16 could then be set, with regard to connection fees. Mr. Thomas stated
17 that he was not sure whether or not this was a good suggestion, but
18 was a suggestion he wished to discuss.

19 The Chairman stated that there were other developers with almost
20 the identical scenario.

21 Mr. Colbaugh stated the matter was discussed by the Board. Staff
22 provided a recommendation not to change the policy, with which the
23 Board concurred. He stated that the Board could discuss the matter
24 again, and perhaps should, as an Agenda item. Mr. Colbaugh agreed
25 that perhaps there should be an earlier point in the process to pay
26 connection fees, other than a building permit. He stated that he did not
27 agree with Mr. Thomas that a developer should be able to "lock-in"
28 connection fees prior to March 1, 2010 and pay two years later. Mr.
29 Colbaugh stated that the rest of the Board did not agree with
30 prepayment of connection fees, which he did.

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1 Mr. Martin stated, “We could change the time when developers can
2 pay their connection charges. But, every time we do that, if we allowed
3 them to pay their connection charges earlier, what that essentially
4 means is that the cost that they’re saving by paying earlier is being
5 shifted to rate payers and the rates.”

6 Mr. Thomas stated, “I am aware of that and that is why I think
7 further discussion might be useful, if only, because I am cognizant of
8 the fact that the County’s priorities, as to the development and building
9 process, have changed rather drastically in 6-10 weeks. I am not
10 saying that we should, therefore, change along with it; although, I
11 share my sponsor’s or appointer’s opinion that government, which we
12 essentially are, should at least not be an impediment; and I do think it
13 is a major issue for development, both residential and commercial that
14 through no fault of their own and essentially, subject to items beyond
15 their control, an initial project budget can balloon because there is no
16 ability to “lock-in” essentially those costs. This may be something we
17 discuss, and as Mr. Colbaugh said the Board says “you know we
18 thought about and we think that kind of lock-in isn’t worthwhile given
19 that we are asking the current rate payers to bear that cost in the
20 future” and if that is the majority opinion of the Board, so be it. I am not
21 one to buck that, but it is something that I personally would like to
22 discuss and to at least hear the pros and cons.”

23 Mr. Martin stated, “I would be willing to discuss it further, but I think
24 the discussion needs to be done in a context whereby, the rate payers,
25 the rest of the community, are aware that this conversation is going on
26 so that people can come in. I mean this community has been led to
27 believe for years and years that growth pays for itself. We talked about
28 that at the last meeting, and everybody agreed it doesn’t, it’s a myth.
29 The public needs to know that and have a voice. The pleas of these
30 developers are certainly sympathetic and I certainly understand it, but
31 it’s a tough world. What I always come back to is, to be a builder or a

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1 developer, you have to take risks, and they take a lot of risks and they
2 get paid for the risks they take. They have lots of other cost elements
3 of these projects that are uncertain, and for them to come in here and
4 say “this is something unusual, surprising” I just don’t quite agree with
5 that.”

6 Mr. Thomas stated that he disagreed with Mr. Martin’s
7 characterization of testimony that he had heard. He stated that none
8 of the developers had stated that this was unexpected or unusual; they
9 simply stated this was an issue in which they were asking the Board to
10 address. Mr. Thomas asked that the Chairman place the matter on the
11 Agenda for a future meeting.

12 Mr. Bowling suggested that the matter be discussed prior to Mr.
13 Fern’s departure. Mr. Fern agreed, and added that the matter could
14 either be discussed as an Agenda item during February’s Board
15 Meeting or during a work session. The Chairman asked if the matter
16 needed to be considered for a work session. Mr. Fern replied no, that
17 the matter could be discussed during the Board’s next regularly
18 scheduled meeting. The Board agreed.

19 ***i. ACSA By-Laws***

20 Mr. Hilton asked what amendment was made to the ACSA By-Laws
21 on December 17, 2009. Mr. Fern replied that the amendment was to
22 change the time period of when elections of officers were held. He
23 explained that previously, elections of officers were held in April and
24 that the Board decided last year to amend the by-laws to hold elections
25 in January, so that any new Board members appointed could be
26 considered in those elections.

27
28 **11. Executive Session - (Recording Time: - Due to Executive Session, no
29 recording was conducted during this time period.)**

30 Mrs. Deborah Herr read a resolution to enter into Executive Session
31 pursuant to Virginia Code Section 2.2-3711 A (1) to discuss a personnel matter;

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1 Virginia Code Section 2.2-3711 A (3) to discuss the North Fork Regional Pump
2 Station Project Land Acquisition; and Virginia Code Section 2.2-3711 A (6) and A
3 (7) to consider a cost allocation agreement between the City of Charlottesville
4 and the Albemarle County Service Authority (Attached as Page ____).

5 ***Mr. Colbaugh moved to enter into Executive Session, seconded by***
6 ***Mr. Carter. The Vice-Chairman asked for a roll-call vote: Mr. Thomas, aye;***
7 ***Mr. Colbaugh, aye; Mr. Roberts, aye; Mr. Carter, aye; Mr. Hilton, aye; Mr.***
8 ***Martin, aye.***

9 The Board of Directors came back into regular session. Mrs. Deborah
10 Herr read into record a resolution stating that only matters so previously stated
11 and exempted from open discussion in regular session were discussed in
12 Executive Session (Attached as Page ____).

13 ***Mr. Colbaugh moved to adopt the resolution, seconded by Mr. Hilton.***
14 ***The Vice-Chairman asked for a roll-call vote: Mr. Thomas, aye; Mr.***
15 ***Colbaugh, aye; Mr. Roberts, aye; Mr. Carter, aye; Mr. Hilton, aye; Mr. Martin,***
16 ***aye.***

17 Mr. Martin felt that the Board should hold another vote on Vice-Chairman.
18 He stated that he did not want to serve for one year thinking that he was elected
19 by a vote that was contrary to the ACSA By-Laws. Mr. Bowling agreed. The
20 Chairman suggested that the Board hold elections again. Mr. Bowling agreed.

21 Mr. Thomas asked if there was any prohibition to simply reopening the
22 vote for the casting of the final vote. Mr. Bowling replied no. Mr. Thomas stated
23 that if the Board agreed to reopen the vote, he would cast his two votes in
24 accordance with the previous election for the legal niceties, which would have
25 been his intent anyway.

26 ***Mr. Carter moved to reopen the vote for Office of Chairman, Vice-***
27 ***Chairman and Executive Committee, seconded by Mr. Martin. All members***
28 ***voted aye.***

29 The floor was reopened for the votes of Chairman, Vice-Chairman and
30 Executive Committee, due to Mr. Thomas being absent during voting.

Albemarle County Service Authority Board of Directors

1 ***Mr. Thomas moved that he would like to cast his vote for Mr. Roberts***
2 ***for Chairman, Mr. Martin for Vice-Chairman, and Mr. Roberts, Mr. Martin***
3 ***and Mr. Colbaugh for Executive Committee, seconded by Mr. Hilton. All***
4 ***members voted aye.***

5

6 12. Adjourn (Recording Time: 11:32:20 a.m.)

7 ***There being no further business, Mr. Carter moved that the meeting***
8 ***be adjourned, seconded by Mr. Thomas. All members voted aye.***

9

10

11

Gary W. Fern, PE, Secretary-Treasurer