

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 February 18, 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, Chairman, Mr. Martin, Vice-Chairman; Messrs.
5 Carter, Colbaugh, Hilton, Thomas

6 **Members Absent:** None

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

9 **Public Present:** Mr. David Hilliard, Mr. Dave Novak and Mr. Phil Locker with
10 Technirain Irrigation, Mr. Neil Williamson, Mr. Tom Haught, Mr. Harold Warner,
11 Mr. Gary O'Connell, Mr. Sean Tubbs with Charlottesville Tomorrow and Mr. Chris
12 Callahan with WINA

13

14 **1. Call to Order**

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

16

17 **2. Approval of Minutes of January 19, 2010, January 21, 2010, January 22,**
18 **2010, January 25, 2010 and January 28, 2010 (Recording Time:**
19 **09:00:55 a.m.)**

20 **a. *Minutes of January 19, 2010-*** The Chairman asked if there were
21 any corrections or additions to the minutes of January 19, 2010.

22 ***Mr. Carter moved to approve the minutes of January 19,***
23 ***2010, seconded by Mr. Colbaugh. All members voted aye.***

24 **b. *Minutes of January 21, 2010-*** The Chairman asked if there were
25 any corrections or additions to the minutes of January 21, 2010.

26 ***Mr. Hilton moved to approve the minutes of January 21,***
27 ***2010, seconded by Mr. Carter. All members voted aye.***

28 **c. *Minutes of January 22, 2010-*** The Chairman asked if there were
29 any corrections or additions to the minutes of January 22, 2010.

30 ***Mr. Carter moved to approve the minutes of January 22,***
31 ***2010, seconded by Mr. Hilton. All members voted aye.***

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1 **d. Minutes of January 25, 2010-** The Chairman asked if there were
2 any corrections or additions to the minutes of January 25, 2010.

3 **Mr. Carter moved to approve the minutes of January 25,**
4 **2010, seconded by Mr. Hilton. All members voted aye.**

5 **e. Minutes of January 28, 2010-** The Chairman asked if there were
6 any corrections or additions to the minutes of January 28, 2010.

7 **Mr. Hilton moved to approve the minutes of January 28,**
8 **2010, seconded by Mr. Carter. All members voted aye.**

9

10 **4. Public Hearing- North Fork Regional Pump Station Project Special Rate**
11 **District (Recording Time: 09:03:07 a.m.)**

12 Mr. Fern presented a PowerPoint Presentation of the North Fork Regional
13 Pump Station (NFRPS) Project Special Rate District (Attached as Pages ____).
14 He noted Albemarle County’s designations for zoning in the project area. Mr.
15 Fern advised that the project area extended from Airport Road, north, then
16 crossed the North Fork of the Rivanna River, to the GE Fanuc facility. He stated
17 that the NFRPS Project was necessary to replace the Camelot Wastewater
18 Treatment Plant (WWTP) and provide wastewater service to the undeveloped
19 portions of the area. Mr. Fern noted that the North Fork of the Rivanna River
20 would divide the north zone from the south zone of the project, both
21 topographically and geographically.

22 Mr. Fern presented the details of the project, which consisted of a pump
23 station at the Camelot WWTP site, and a force main to run south of the Camelot
24 WWTP site and discharge into the NFRPS, located on the south side of the North
25 Fork of the Rivanna River. Mr. Fern noted that the NFRPS would serve the
26 south zone of the project. He noted that the sewers in the area around Airport
27 Road and Profitt Road would drain by gravity to the NFRPS which would be
28 positioned between Lewis & Clarke Drive and the North Fork of the Rivanna
29 River. Mr. Fern stated that the force main for the NFRPS, would proceed south,
30 under Lewis & Clarke Drive on the west side of Route 29, then cross under
31 Route 29 in front of the Fabrics Unlimited store in the area of the North Pointe

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1 Development. Mr. Fern advised that the force main would run parallel with Route
2 29 until reaching Profitt Road, and would then discharge into a manhole, flowing
3 by gravity sewer to the existing wastewater collection system that the ACSA
4 operated.

5 Mr. Fern detailed the two zones of the Special Rate District. He advised
6 that the north zone would include the Camelot Subdivision, Briarwood
7 Subdivision, GE Fanuc, the National Ground Intelligence Center (NGIC), the
8 Joint Use Intelligence Analysis Facility (JUIAF), and the undeveloped area on the
9 east side of Route 29; the south zone included UVA Research Park, Airport
10 Acres Subdivision, and the North Pointe Development on the east side of Route
11 29. Mr. Fern stated that the current project cost estimate was approximately
12 \$24.5 million, detailed as follows:

<u>Description</u>	<u>Price Estimate</u>
Construction	\$13,144,300
Land acquisition	\$ 750,250
Engineering and Permitting	\$ 1,901,800
Financing	\$ 8,743,100
Total	\$24,539,450

13

14 He noted that the construction costs for the project were estimated based
15 on 60% design documents prepared by the ACSA's consultant. He
16 recommended the ACSA reanalyze the proposed rates after 100% design
17 documents were completed.

18 Mr. Fern stated that the ACSA utilized the Equivalent Residential
19 Connections (ERC) formula to assess connection fees. He stated that the ERC's
20 were determined based on industrial, commercial, and institutional flows and
21 then compared to residential flows. He stated that the ACSA currently had 963
22 ERC's being served by the Camelot WWTP, which equated to ten percent of the
23 project. He noted that future connections were estimated at 8,700 ERC's.

24 Mr. Fern stated, to collect enough funding to pay for the project, the ACSA
25 proposed a connection fee of \$2,942 per ERC for the north zone and \$2,088 for

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1 the south zone. He noted that the north zone connection fees were based on
2 utilization of the Camelot Pump Station and its related force mains as well as the
3 NFRPS and its related force mains. Mr. Fern noted that the proposed connection
4 fees were in addition to the System Development Charge and the Rivanna
5 Capacity Charge. Mr. Fern advised that, based on the connection fees and the
6 estimate of future ERC's, the ACSA would recover approximately \$22 million, or
7 90%, of the total project cost.

8 Mr. Thomas asked what percentage of future ERC's being projected, were
9 residential. Mr. Fern stated that the south zone would include the North Pointe
10 Development which would be majority residential and within the north zone, there
11 were residential properties in Briarwood and Camelot Subdivisions. Mr. Gorham
12 added that the area north of NGIC could possibly include future residential
13 properties.

14 Mr. Hilton asked how the ACSA determined the cost of financing the \$14.5
15 million for the project. Mr. Fern stated that the ACSA's intent was to borrow
16 \$14.5 million for the project. He noted that the interest on the \$14.5 million would
17 equal approximately \$8,723,000. Mr. Fern stated the figure was based upon a
18 five percent interest rate, over 20 years. Mr. Fern reiterated that the project cost
19 estimate was based on 60% design documents, meaning that only 60% of the
20 project design was completed. He stated that the surveying, outside layout
21 design, and part of the electrical design had been completed. He stated that
22 once 100% design was complete, the engineering firm would provide an updated
23 estimate for the project. Mr. Carter clarified that the current project figures could
24 increase or decrease. Mr. Fern replied in the affirmative.

25 Mr. Colbaugh asked, if someone wished to pay their connection fees this
26 date, would they be able to avoid the financing charge? Mr. Fern replied that
27 currently there were no facilities available to connect to; therefore the ACSA
28 could not accept connection fees. Mr. Bowling stated if the ACSA's intent was
29 not to recoup the cost of the project, then they did not need to consider the
30 financing charges. Mr. Fern stated that the Board could discuss allowing

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1 individuals to prepay their connection fees, allowing the ACSA to bond for a
2 lesser amount, and therefore decreasing the cost.

3 Mr. Colbaugh stated that, as of 5:00 p.m. this date, the new fees would go
4 into effect for “new connections.” He asked if a “new connection” was a
5 considered connection to the ACSA sewer system, or when connection fees had
6 been collected. Mr. Fern stated if there was no sewer system present to connect
7 to, connection fees could not be collected.

8 Mr. Thomas referred to the project’s total cost estimate and asked how the
9 overall percentage of financing was determined. Ms. Breeden stated that the
10 ACSA was only financing the developer’s share of the project. Mr. Thomas
11 asked if there was a reason that the ACSA could not pay a greater percentage
12 up front, to lower the overall financing amount and resulting charges, and still
13 recoup the money. Ms. Breeden stated that the Board’s previous stance was to
14 make sure the ACSA financed the developer’s share of the project, since they did
15 not wish to participate in the project. Mr. Thomas asked if the ACSA was able to
16 lower the overall project cost by paying a greater percentage up front, and the
17 developers pay 100% of the project costs, resulting in the ACSA’s total outlay
18 being zero. Mr. Bowling stated that the ACSA could not charge interest, if the
19 project did not incur interest.

20 Mr. Thomas asked if the ACSA could purchase its own bonds. Mr.
21 Bowling stated that they could, but he did not believe the Board could charge
22 interest on the cost of the project in that case. He added that if the ACSA’s total
23 cost was lower, the ACSA could seek contributions from the developer for their
24 share of those lower costs. Mr. Thomas asked, if the ACSA paid the total project
25 cost up front, could they seek contribution for the total project cost? Mr. Bowling
26 stated that the ACSA’s share, estimated at ten percent, would need to be
27 subtracted.

28 Mr. Roberts asked what was the current return on ACSA reserves. Ms.
29 Breeden replied that returns were not even three percent. Mr. Roberts stated
30 that the ACSA would lose approximately two percent.

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1 Mr. Martin asked how this discussion related to the ACSA's "buy in" policy
2 and stated his understanding that when the ACSA built the NFRPS, it would be
3 financed by current rate payers. He added that eventually, new connections in
4 the North Fork area would "buy in" to the ACSA's system based upon its net
5 worth. He added that theoretically, the proposed rates would apply to a
6 connection made tomorrow, but in five years, the net worth of the system would
7 be higher, thus increasing the buy in charge. Ms. Breeden agreed, and added
8 that the higher cost was due to System Development and Rivanna Capacity
9 Charges. Mr. Martin stated, that then, the belief that new connections would
10 finance the cost of the NFRPS was not exactly correct. He stated that when a
11 new connection "buys in" to the system, the money would conceptually reimburse
12 current rate payers who "up fronted" the money to develop the system. Mr. Fern
13 replied that it would depend on the timing. He stated that the ACSA would pay
14 on the bond monthly and within the first year, if a large development connected;
15 they could possibly pay more than current rate payers. He added that if
16 development did not occur for a number of years, certainly the current rate
17 payers would be "up fronting" the money.

18 Mr. Carter asked if the cost of the ERC's would remain constant. Mr.
19 Bowling replied in the affirmative.

20 Mr. Colbaugh clarified that the ACSA had attempted to ask all major
21 developers for the North Fork area to pay connection fees up front so the ACSA
22 would not have to borrow money. Mr. Fern replied in the affirmative; he stated
23 that the ACSA had conducted meetings with the major developers for the area
24 and, at the time, they all agreed to participate. He stated that since that time, the
25 economy had strained these developers so that they no longer could afford to be
26 a part of the project, with the exception of NGIC and JUIAF. Mr. Fern advised
27 that the ACSA staff was still conducting meetings with them to obtain a signed
28 agreement so they could pay their share up front. Mr. Colbaugh asked if the
29 federal government would be required to pay before 5:00 p.m. this date. Mr.
30 Fern stated that the ACSA was in the process of obtaining an agreement, but
31 would have to adjust the connection fee numbers at the time it was finalized. Mr.

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1 Colbaugh felt if the ACSA had negotiated with the federal government to have
2 them pay their share, they would not be required to pay the special rate district
3 fees. Mr. Fern stated that if the Board approved the Resolution proposed the
4 fees effective this date would affect NGIC. Mr. Thomas stated if NGIC prepaid
5 their fees, the ACSA would have to revisit the rates in the Special Rate District;
6 Mr. Fern replied in the affirmative, and added that the ACSA would revisit all
7 rates after the 100% design documents were complete. Mr. Bowling advised that
8 the Special Rate District fees would be required to be in effect in order to
9 proceed with obtaining financing. In other words, he stated, the ACSA would not
10 be able to sell bonds to pay for the project unless there was a plan in place to
11 repay the loan.

12 Mr. Martin referred to the term "prepayment." He asked if the ACSA was
13 considering allowing NGIC to prepay their connection fees, resulting in a discount
14 on connection fees. Ms. Breeden stated that the money would not be a
15 prepayment or a discount. She stated that the money would be a contribution to
16 the ACSA system, much like any payment received from developers to extend or
17 improve the ACSA system. She noted that developers were given the option to
18 contribute to the system and assist in building the infrastructure, and added that
19 the developers would still pay all of their regular connection fees. Mr. Fern stated
20 that the Special Rate District would only apply to developments in the Special
21 Rate District area.

22 The Chairman opened the Public Hearing.

23 Mr. Tom Haught addressed the Board. He stated that he owned a single
24 family residence within the Special Rate District and asked if he would be
25 required to pay approximately \$2,000 in Special Rate District fees, plus an
26 additional \$5-6,000 for normal connection fees, in addition to construction costs
27 to connect to the ACSA system. Mr. Fern replied in the affirmative and added
28 that the ACSA would install a sewer lateral up to the property line. He added that
29 the ACSA would discuss with property owners the anticipated sewer lateral
30 locations on their properties.

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1 Mr. Haught stated that he had been attempting to connect to public sewer
2 for approximately seven years. He noted that he received approval to connect, if
3 he tunneled under Route 29, which was very expensive. He asked the
4 approximate timing of the project. Mr. Fern stated that the current schedule for
5 the project anticipated advertisement for bids on May 1, 2010, and completed
6 construction in December 2011. Mr. Gorham asked Mr. Haught for his property
7 address. Mr. Haught replied that his address was 3147 Profitt Road.

8 Mr. David Novak with Technirain Irrigation addressed the Board. He
9 asked if the ACSA had allotted connection fees for properties that wanted
10 auxiliary meters. He stated that as projects are put in place, homeowners have
11 to tap back into the line in order to install an auxiliary meter for irrigation
12 purposes. Mr. Fern stated that the NFRPS Project was only a sewer project and
13 did not include water at the current time.

14 The Chairman asked if there were any further comments from the public.
15 Hearing none, the Chairman closed the Public Hearing.

16 Mr. Roberts stated that the Board would take all of the public's comments
17 under advisement and advise the public of the decision. Mr. Colbaugh agreed
18 and added that Mr. Roberts' suggested approach could allow staff to conduct
19 further contact with the major developers who may want to contribute early. He
20 asked Mr. Fern if there was a time limit to having the Special Rate District in
21 place. Mr. Fern stated that the Special Rate District should be in place before
22 obtaining financing. Ms. Breeden stated that adoption of the proposed Intent to
23 Borrow Resolution would allow the ACSA to make arrangements to shop for
24 bonds.

25 Mr. Carter stated that actions before the Board today, would only allow the
26 ACSA to begin shopping for bonds and obtaining financing. He stated that the
27 topic would be before the Board again, once complete figures were obtained.
28 Mr. Fern stated that if the rate Resolution were passed, staff would begin
29 collecting the fees associated with the Resolution and would become part of the
30 Rules and Regulations. He added that if there was a connection within the
31 Special Rate District, the new connection would be charged the Special Rate

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1 District fees. Mr. Roberts stated that personally, he was ready to move forward
2 with the project and added that he had not heard any objection from the public
3 regarding the topic.

4 Mrs. Walker read into record the Resolution (Attached as Page ____).

5 ***Mr. Carter moved to adopt the Resolution as stated on Page 43***
6 ***through Page 53 of the Board Packet, seconded by Mr. Thomas. The***
7 ***Chairman asked for a roll-call vote. Mr. Martin, aye; Mr. Hilton, aye; Mr.***
8 ***Carter, aye; Mr. Roberts, aye; Mr. Colbaugh, aye; Mr. Thomas, aye.***

9 Mrs. Walker read into record the Resolution on Page 55 (Attached as
10 Page ____).

11 Mr. Martin referred to the easements and noted that the property owner
12 was a limited liability partnership, CWH Properties Limited Partnership. Mr. Fern
13 stated that it was the North Pointe Development.

14 ***Mr. Carter moved to approve the Resolution, seconded by Mr.***
15 ***Colbaugh. The Chairman asked for a roll-call vote. Mr. Martin, aye; Mr.***
16 ***Hilton, aye; Mr. Carter, aye; Mr. Roberts, aye; Mr. Colbaugh, aye; Mr.***
17 ***Thomas, aye.***

18 Mrs. Walker read into record the Resolution on Page 57 (Attached as
19 Pages ____).

20 ***Mr. Hilton moved to approve the Resolution, seconded by Mr.***
21 ***Thomas. The Chairman asked for a roll-call vote. Mr. Martin, aye; Mr.***
22 ***Hilton, aye; Mr. Carter, aye; Mr. Roberts, aye; Mr. Colbaugh, aye; Mr.***
23 ***Thomas, aye.***

24 Mr. Colbaugh asked if resolutions could be read by title only. Mr. Thomas
25 asked if the Board could waive reading resolutions. Mr. Bowling stated that
26 generally the practice of the Board was to refer to an attached resolution when a
27 motion was made. Mr. Carter added that a resolution is normally incorporated by
28 reference. Mr. Roberts agreed that reading the resolutions were cumbersome.
29 There was a consensus of the Board to read resolutions by title only or to refer to
30 a resolution when asking for a motion.

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1 **3. Matters from the Public Concerning Items Not on the Agenda (Recording**
2 **Time: 09:55:53 a.m.)**

3 Mr. Harold Warner of 5347 Brookwood Road in the West Hall Subdivision
4 addressed the Board. Mr. Warner had purchased a property out of foreclosure
5 and had been denied a water meter because the developer; Stonehaus, had not
6 corrected their punch list items. He noted that there was a bond on the property.
7 Mr. Warner advised that he was approaching the date to list the property for sale,
8 and asked the Board for permission to have a water meter installed.

9 Mr. Fern recalled that Mr. Wagner had brought this matter to the Board's
10 attention at a previous Board meeting. Mr. Gorham stated, to use a bond which
11 was held by the County, a statement from the ACSA had to be created stating
12 that the developer was in default. Mr. Gorham stated that he had contacted
13 Stonehaus to work out a schedule, or commitment, to complete the final work of
14 relocating a transformer that had been placed over a sewer pipe. He advised
15 that on another project, the ACSA had been able to work out a schedule with
16 Stonehaus for a similar issue. Mr. Carter asked, if Mr. Gorham obtained a
17 commitment from Mr. Hauser, would the ACSA allow Mr. Warner to have a water
18 meter installed? Mr. Gorham replied in the affirmative. He stated that he was
19 hesitant to submit a letter stating the developer was in default, without contacting
20 the developer first to attempt to work out the punch list items, as had been done
21 with another project. Mr. Gorham noted that Mr. Hauser was currently out of
22 town but he would contact him once he returned.

23 Mr. Fern stated that another issue Mr. Warner had brought up, was that
24 connection fees would increase March 1, 2010. Mr. Fern felt it was appropriate
25 for Mr. Warner to prepay the connection fees, at current rates, and not the
26 increased fees. Mr. Carter agreed and stated that Mr. Warner did not create
27 these problems. Mr. Gorham stated that the ACSA could allow Mr. Warner to
28 prepay his connection fees since his house was under construction. Mr. Carter
29 confirmed that once the commitment was received, Mr. Warner could obtain a
30 water meter. Mr. Gorham replied in the affirmative.

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1 **5. Connection Fees (Recording Time: 10:08:57 a.m.)**

2 Mr. Fern referred to the October 2009 Board meeting, and discussion of
3 prepayment of connection fees. He stated that at that time, staff was asked to
4 review the Prepayment Policy, and to come back to the Board; staff had done so,
5 with a recommendation that the Prepayment Policy not be changed at that time.
6 Mr. Fern recalled that at the last Board meeting, the Board had asked that the
7 item be brought back for discussion. He recalled that the Board had heard from
8 a couple of area developers, engineers, and contractors, regarding the collection
9 of connection fees and the Prepayment Policy, and had stated that the ACSA
10 would let them know, prior to the March 1, 2010 deadline, the Board's decision.

11 Mr. Roberts asked Mr. Fern to discuss his meeting held with the Blue
12 Ridge Home Builders Association (BRHBA). Mr. Fern stated that there was good
13 discussion regarding the rates, the rate increases over the past few years, and
14 the ACSA's future projections. He stated that the timing for projects to move
15 from the conceptual design phase to final design phase, in the County's process,
16 was a major factor. Mr. Fern added that he had explained the ACSA's reasons
17 for keeping the Prepayment Policy the way it was.

18 Mr. Colbaugh asked if Mr. Hilliard or Mr. Collins had obtained a building
19 permit, or if they had paid their connection fees. Ms. Breeden stated that Mr.
20 McGinty had obtained his building permits, with the exception of the clubhouse.
21 She added that he had not paid connection fees yet, but was expected to. Mr.
22 Fern stated that Mr. Dofflemyer had scheduled a meeting with the ACSA, but had
23 attended the meeting with the BRHBA, and afterwards cancelled his meeting with
24 the ACSA. He noted that Mr. Dofflemyer had not since contacted him.

25 Mr. Colbaugh asked if the first stage in a developer's approval process
26 was a preliminary plat approval. Mr. Gorham stated that developers submit site
27 plans to the County first, then move through the preliminary site plan approval
28 process, and then the final site plan approval process. He stated there was
29 potential to skip the preliminary site plan approval process, moving directly to
30 final site plan approval. Mr. Colbaugh asked, once a developer had final site
31 plan approval, did they then obtain a building permit? Mr. Gorham replied that a

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1 building permit was the next step in the process. Mr. Colbaugh understood that a
2 building permit was the earliest a developer could pay connection fees. Mr.
3 Gorham replied in the affirmative, stating a valid building permit must be in hand
4 to pay connection fees. Mr. Colbaugh stated his understanding that the ACSA
5 could accept a connection fee as late as when the meter was set. Ms. Breeden
6 agreed, noting that a building permit would not be necessary at that point since
7 the property would have received water and sewer lateral inspections. Mr.
8 Colbaugh asked, if a developer paid at the building permit stage, and did not
9 begin construction for 18 months, would the ACSA return the connection fees?
10 Ms. Breeden replied no, and added that as long as there was an active building
11 permit on the project, the ACSA would continue to hold the fees. She stated that
12 the ACSA has had to refund connection fees in the past, when building permits
13 were no longer active.

14 Mr. Thomas referred to an October 7, 2009 memo, and quoted, "Currently,
15 developers are allowed 18 months by the ACSA to act upon their project after
16 receiving construction plan approval." Mr. Gorham stated that the sentence
17 referred to actual construction of the project infrastructure. Mr. Thomas asked
18 how the 18-month deadline was related to the payment deadline for connection
19 fees. Mr. Gorham stated that the two deadlines were separate and of no relation.
20 Mr. Thomas understood that the reason the ACSA set the first available time to
21 prepay connection fees (at obtaining a building permit) was to minimize the time
22 between claiming capacity and using capacity. He stated, "If they can obtain a
23 building permit, and then sit on it for four or five years, if they can do that with a
24 building permit, why does it matter if they could do that with a final site plan
25 approval as well?" Ms. Breeden stated that a building permit showed "intent to
26 build." Mr. Colbaugh stated, to have the developer pay the maximum fees to the
27 maximum advantage of the ACSA, payment should not be permitted until an
28 occupancy permit was received. Ms. Breeden stated that the ACSA previously
29 operated under that policy, but the Board changed the Prepayment Policy
30 several years prior. She stated that the Board could shorten the amount of time
31 the prepayment fees could be held if they wished to do so.

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1 Mr. Carter stated that once a developer obtained a building permit, he was
2 normally ready to build, and would have spent considerable money on the
3 project. He felt once a building permit was received, the developer would not
4 wait a long period of time. Ms. Breeden stated there had been a couple of
5 anomalies, but normally the developer did begin building shortly after obtaining a
6 building permit. Mr. Carter noted that developers pay to obtain a building permit.
7 Mr. Thomas stated that a developer could monopolize connections by simply
8 obtaining a building permit and keeping the permit active.

9 Mr. Colbaugh asked, when a developer phased out their project, was a
10 building permit obtained for each phase. Mr. Gorham stated if a developer
11 phased their project, they would build each phase separately. He referred to Mr.
12 McGinty's project and stated that Mr. McGinty had a total of five buildings, but his
13 intent was only to build the first two at this time.

14 Mr. Fern referred to a prior suggestion from the Public that the Board
15 extend connection fees, resulting in no increase on March 1, 2010. He stated
16 that having the delay in connection fees from September 1, 2009 to March 1,
17 2010, had resulted in a loss of revenue of over \$178,000 for the ACSA. Ms.
18 Breeden noted that the loss of income did not include Mr. McGinty's connection
19 fees. Mr. Carter agreed that the connection fee increase should remain effective
20 March 1, 2010. He noted that whatever date was chosen, would result in an
21 inconvenience for someone. Mr. Colbaugh stated that if the ACSA wanted to
22 collect the maximum amount in connection fees, the Board should move the
23 earliest point of prepayment to obtaining an occupancy permit. He noted that he
24 did not favor that idea, but if it was the Board's position, then the Prepayment
25 Policy should be adjusted.

26 Mr. Martin clarified that the policy would remain in effect as written. Mr.
27 Fern replied in the affirmative and noted that the rate increase would remain
28 effective March 1, 2010.

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1 **6. Recognition of Past Board Members (Recording Time: 10:22:38 a.m.)**

2 Mr. Roberts referred the Board to two Resolutions included within their
3 Board packet (Attached as Pages ___) recognizing Mr. Donald J. Wagner and
4 Dr. Lizbeth A. Palmer. He noted that the Resolutions would be presented at a
5 special reception on Friday, February 26, 2010.

6 ***Mr. Carter moved that the Resolutions recognizing the service of***
7 ***Donald J. Wagner and Dr. Lizbeth A. Palmer be adopted by the Board and***
8 ***the Resolutions be incorporated in the minutes on a permanent basis to***
9 ***show the Board's appreciation for their years of service, seconded by Mr.***
10 ***Thomas. The Chairman asked for a roll-call vote. Mr. Martin, aye; Mr.***
11 ***Hilton, aye; Mr. Carter, aye; Mr. Roberts, aye; Mr. Colbaugh, aye; Mr.***
12 ***Thomas, aye.***

13

14 **7. Consent Agenda**

15 **For Information (Recording Time: 10:24:14 a.m.)**

16 The Chairman asked if the Board had questions or comments regarding
17 the Consent Agenda.

18 ***a. Monthly Financial Reports-***

19 Mr. Colbaugh referred to Page 79 of the Board packet (Attached as
20 Pages ___). He stated his appreciation of the Investment Summary.
21 He noted his concern of investments committed to the year 2016. He
22 referred to the ACSA's Investment Policy and quoted, "no investment
23 will be made for more than 12 months without written justification, or
24 for more than two years without the approval of the Executive
25 Director." Mr. Colbaugh stated that the Investment Policy took into
26 account that a public agency should not extend five to six years for
27 investments. He felt sure that the Executive Director and the Finance
28 Director reviewed and made quality decisions regarding the
29 investments, but felt that extending the investment for six years,
30 instead of two, should be reviewed by the Board.

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1 Ms. Breeden stated that at the time the investment fund was
2 established, it was brought before the Board for their approval. Mr.
3 Colbaugh stated that the Board approved the investment periods
4 listed, with the approval of the Executive Director. He noted that was
5 one- and two-year investments, not six-year investments. He stated
6 that he was not comfortable predicting what the interest rate would be
7 in six years and noted that personally, he did not invest for six-year
8 periods.

9 Mr. Bowling stated that the ACSA was not “locked in” to six years of
10 investment. Ms. Breeden stated that the ACSA could sell the
11 investment, but advised that there was a penalty. Mr. Thomas stated
12 that the Investment Policy should be revised to match actual ACSA
13 practice. He noted that a longer investment period presented a better
14 return on the rate payer’s money. Mr. Colbaugh suggested the
15 Investment Policy be reviewed during the annual audit. Mr. Roberts
16 stated that the Investment Policy should be reviewed sooner, since the
17 return on the investments was included within the proposed Budget.

18 Mr. Carter agreed, and felt if the Executive Director and Finance
19 Director felt the investment was a good idea, they could come before
20 the Board. Mr. Roberts stated that Mr. Colbaugh’s observation was
21 good.

22 ***b. Monthly CIP Report-***

23
24 ***c. Monthly CIP Authorizations-***

25 Mr. Martin referred to Page 135 of the Board packet (Attached as
26 Pages __). Mr. Martin stated that paragraph B and C were both
27 concerning the Meadow Creek Drainage Basin Sanitary Sewer
28 Rehabilitation Project. He stated his confusion regarding an
29 authorization of \$1,238,757.99 in paragraph B for construction and
30 \$30,622 in paragraph C for engineering. Mr. Fern stated that the
31 project was a single project but there was a rehabilitation portion of the

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1 project and a replacement portion of the project. Mr. Fern stated that
2 the rehabilitation portion of the project could be done sooner, therefore
3 was separated and added that the replacement portion of the project
4 still needed to be designed, therefore was listed as paragraph C.

5

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

7 ***Mr. Carter moved to approve the Consent Agenda, seconded by Mr.***
8 ***Martin. All members voted aye.***

9

10 **7. Oak Hill Phase 1 Sewer Project (Recording Time: 10:32:11 a.m.)**

11 Mr. Fern stated that the ACSA was in the process of finalizing the
12 application for funding through the Community Development Block Grant (CDBG)
13 Program. He advised that he had met with Mr. Ron White with the County of
14 Albemarle Department of Housing, and advised that portions of the application
15 needed to be completed by the County. Mr. Fern stated that an electronic
16 version of the application would need to be submitted to Mr. White's office by
17 February 19, 2010.

18 Mr. Gorham stated that as of this date, the ACSA had received 27 signed
19 User Agreements, and noted that the required total was 42. He stated that of the
20 27 received, 20 were Low to Moderate Income (LMI) households. Mr. Gorham
21 stated that the CDBG requirements were 22 LMI residences. He advised that the
22 ACSA staff had been contacting those who had not returned their User
23 Agreements. Mr. Carter asked if all User Agreements needed to be received by
24 February 19, 2010. Mr. Gorham replied no, and stated that although February
25 19, 2010 was the deadline, the ACSA did not need to receive all User
26 Agreements before submitting the CDBG. He noted that the User Agreements
27 would strengthen the CDBG application.

28 Mr. Fern stated that the Board of Supervisors would conduct their second
29 Public Hearing on March 10, 2010, at which point, the CDBG application would
30 be submitted to them. Mr. Carter stated that the ACSA was in competition with

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1 other applicants for the CDBG funds. Mr. Fern added that the ACSA would be in
2 competition with the entire State of Virginia, for a limited amount of funding.

3

4 **9. Draft FY 2011 Budget (Recording Time: 10:34:34 a.m.)**

5 Mr. Fern referred the Board to the first Draft of the FY 2011 Budget
6 (Attached as Pages ____). He stated further discussion of Budget and Rates
7 would be held on March 18, 2010. Mr. Fern stated that, overall, the departmental
8 budgets were well in line with the ACSA proposals last year. He called the
9 Boards' attention to two supplemental requests in the Administration
10 Department. He stated that one of the positions being requested was a SCADA
11 Technician. Mr. Fern stated that within the Capital Improvement Program (CIP),
12 the ACSA was investigating a SCADA system to allow the ACSA to access data
13 from the pump stations, storage tanks and pressure reducing vaults. He felt it
14 was important to have a technician dedicated to that system. Mr. Fern
15 stated that the second position being requested was for a LAN Technician for the
16 Information Technology section.

17 Mr. Colbaugh asked if the two positions would be discussed in detail as
18 the Budget was discussed further. Mr. Fern replied in the affirmative and noted
19 that this Proposed Budget was only a first draft. Mr. Martin asked if the ACSA
20 was proposing a merit increase. Mr. Fern replied that the ACSA was not
21 proposing a merit increase, but was proposing an increase to the health and
22 benefit dollars from the current \$600.00 to \$650.00 per month, per employee.
23 Mr. Roberts asked if the proposed increase was to cover insurance increases.
24 Mr. Fern replied in the affirmative and added that the ACSA's health insurance
25 was proposed to increase eight percent at this time.

26 Mr. Colbaugh commented on Mr. Roberts' vacation schedule and asked if
27 the Board should consider a Budget Work Session while the Chairman was
28 away. Mr. Roberts was sorry for any inconvenience but noted that he had made
29 reservations for his vacation six months ago to Miami Beach, Florida. Mr. Fern
30 stated that the Chairman and he had discussed his vacation and felt, with so little

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1 extra being proposed for each department, the discussion could take place at the
2 regularly scheduled Board meeting on March 18, 2010.

3 Mr. Colbaugh asked when the Board would be presented with information
4 to begin discussions on rates. Mr. Fern felt that the information could be
5 included within the Board packet in March. Mr. Martin felt that the information
6 should be provided sooner to allow time to review the document. The Chairman
7 stated his understanding that the information had not been received from RWSA;
8 he asked Mr. Fern when he anticipated receiving the information. Mr. Fern
9 stated that he was uncertain. Mr. Colbaugh stated that the ACSA would need to
10 advertise the rate increase on April 1, 2010. Mr. Fern replied in the affirmative
11 and added that date was the latest possible if the Public Hearing would be held in
12 June. He noted that the ACSA was required to advertise 60 days prior to a rate
13 increase.

14 Mr. Fern stated that, in the past, the ACSA had brought before the Board
15 figures that they anticipated, and published them while continued discussions
16 took place throughout April and May. Mr. Colbaugh felt that was confusing. He
17 stated that the ACSA published a 12% increase last fiscal year, and authorized a
18 one percent increase. Mr. Fern stated that the 12% increase was justified at the
19 time it was presented to the Board. Mr. Colbaugh asked if there was any
20 indication that the ACSA would be proposing a 12% increase again this fiscal
21 year. Mr. Fern stated that he was uncertain, until the figures were received from
22 RWSA. The Chairman stated his understanding that no rate increases were
23 proposed, with the exception of any rate increases from the RWSA. He added
24 that in his conversation with Mr. Fern, it was his understanding that any rate
25 increase being proposed would parallel the RWSA's increase. Mr. Fern clarified
26 that the ACSA was looking at a very small, if any, increase in the departmental
27 Budgets compared to last year.

28 Mr. Martin stated that the ACSA needed to make an estimate of what the
29 ACSA's flow projections would be. He stated that the flow projections for the
30 current year were 133 million (gallons) per month, and noted that the average
31 consumption for the year was below the ACSA's projection. He advised that if

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1 the ACSA reduced flow projections for FY 2011, the ACSA may need a rate
2 increase to offset a loss in revenue. Mr. Colbaugh stated that the ACSA worked
3 in conjunction with RWSA to maintain the same flow projection figures. Ms.
4 Breeden replied no. She stated that the figures are close, but noted that the
5 RWSA bills for more than the ACSA does due to leaks in the system.

6 Mr. Carter asked if there was a way, once the RWSA figures were
7 received, to then schedule a Budget Work Session. Ms. Breeden stated that she
8 had received preliminary figures, and was working on them, but noted that the
9 figures were not ready for publication. She added that she may have the
10 projected figures available on March 4, 2010. The Chairman noted that, although
11 he could not attend the meeting, the Board may wish to meet on March 4, 2010
12 regarding the figures. He stated that he understood budgets and would be able
13 to read the documents once he returned from vacation.

14 Mr. Martin felt that it would be useful to hold a Budget Work Session on
15 March 4, 2010. He asked when the Board would receive a complete Budget.
16 Ms. Breeden stated that she would try to have it available on March 4, 2010. Mr.
17 Martin asked if it would be possible to have the document available prior to
18 March 4, 2010 to allow time to study the proposed document. Ms. Breeden
19 stated that she would try to have the document available at an earlier date but
20 noted that the figures would still be preliminary. Mr. Fern stated that the RWSA
21 Board had not been provided with any figures yet, but would meet the following
22 week; he advised that the topic was not on that Agenda. The Chairman stated
23 that it appeared difficult to obtain any substantial information for a meeting on
24 March 4, 2010.

25 Mr. Hilton stated that he wished to hold the Budget Work Session on a
26 later date to avoid wasted time on preliminary figures. Mr. Martin stated that the
27 ACSA Board spent a great deal of time the previous year reviewing the Budget;
28 he felt that a great amount of time would be spent this fiscal year. He noted that
29 last fiscal year, a Rate Study was being conducted at the same time. He felt that
30 every aspect of the Budget was extremely important, especially during an
31 Executive Director transition. He added that he wanted to focus on formatting of

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1 the ACSA Budget this fiscal year as well. He felt the combination of the Capital
2 Improvement Program Budget with the Operating Budget was confusing and
3 should be separated. Mr. Martin noted the short amount of time to complete
4 such thorough work; he felt a Budget Work Session should be conducted before
5 the March 18, 2010 meeting, with a document as complete as possible.

6 Mr. Fern explained, for the new Board members' sake, that there was a
7 required 60-day time period from advertisement of rates to the actual Public
8 Hearing. He stated if the Board wished to have a Budget in place by July 1,
9 2010, a Public Hearing would need to take place in June, with advertisement in
10 April. He stated that it would be rare to have a defined rate on April 1, 2010 that
11 would not be adjusted before the Public Hearing, especially while waiting for the
12 RWSA to provide the ACSA with final figures. The Chairman stated that the
13 ACSA previously had advertised a higher rate increase than actually had gone
14 into effect. He stated that the ACSA could not increase the rate after
15 advertisement, but could decrease. Mr. Fern replied that Mr. Roberts was
16 correct and noted that only the sewer rate needed to be advertised, but normal
17 practice of the Board was to advertise both water and sewer at one time.

18 Mr. Colbaugh suggested conducting a Work Session on March 11, 2010.
19 Mr. Thomas stated that he was out of town on that date. Mr. Carter also stated
20 that he would be out of town on that date. Mr. Carter suggested the Board pick a
21 date for the Work Session and do their best. Mr. Colbaugh suggested that
22 discussion be held at the regularly scheduled meeting on March 18, 2010. Mr.
23 Carter agreed, and added that the Agenda be kept to a minimum to allow time for
24 discussions. Mr. Gary O'Connell noted that he would be out of town on March
25 18, 2010; Mr. Roberts assured Mr. O'Connell that he would have a "more than
26 capable" Finance Director at the meeting on March 18, 2010. There was a
27 consensus of the Board to hold the Budget discussion at their regularly
28 scheduled meeting on March 18, 2010.

29 Mr. Martin asked when the complete draft would be distributed to the
30 Board, preferably before March 18. Mr. Fern stated that the later the document

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1 was distributed, the more complete it would be. He stated the document would
2 be delivered in the Board packet on March 12, 2010.

3

4 **10. Items Not on the Agenda (Recording Time: 10:52:12 a.m.)**

5 ***a. Camp Holiday Trails Water Main-***

6 Mr. Fern referred to a memorandum regarding Camp Holiday Trails
7 (Camp) Water Main (Attached as Pages ____). He stated that in the fall
8 of 2008, the ACSA had a contractor install a new four-inch diameter
9 water main from the Ednam Water Storage Tank to Camp Holiday
10 Trails. He advised that the new pipe was ductile iron with a concrete
11 lining, no different than utilized for any other project. Mr. Fern stated
12 that in the spring of 2009, the Camp staff notified the ACSA that the pH
13 concentration of the water at the camp was registering 9.0. Mr. Fern
14 noted that a normal pH concentration was 7.0. He stated that the
15 ACSA conducted water sampling and began investigating the cause of
16 the high pH.

17 Mr. Fern advised that the water provided from the RWSA was very
18 “soft” with low mineral content. He stated the problem was found to be
19 excess calcium, leaching from the concrete lining in the pipe; the
20 problem occurred due to low water use resulting in water sitting in the
21 long run of pipe, for long periods. Continuous flushing of the pipe had
22 resolved the issue on a temporary basis. Mr. Fern noted that in the
23 fall, the ACSA contacted Michael Baker, Jr., Inc. (Baker), one of the
24 ACSA’s term consultants, to perform a study of different alternatives to
25 remediate the problem. Mr. Fern stated that Baker recommended
26 either epoxy lining the interior of the existing pipe or installing a liner to
27 separate water from the interior of the pipe. He noted that the ACSA
28 had asked Baker to develop a Scope of Services and Fee Proposal,
29 which they did. He added that they estimated the project cost at
30 approximately \$200,000. Mr. Fern stated that the ACSA was looking
31 to implement the project before the Camp re-opened in May. Mr. Fern

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1 stated that the ACSA was asking the Board to appropriate \$250,000
2 from the 3R Fund to design and construct the project.

3 Mr. Colbaugh stated that the Board had not been presented with
4 the report, as requested, that detailed the other explored alternatives
5 for the project. He asked if the ACSA reviewed dissolving the current
6 lining. Mr. Fern stated that the alternatives explored were: water
7 treatment at the storage tank and at the Camp, or installing a parallel
8 pipe next to the existing pipe. Mr. Gorham stated that Mr. Colbaugh's
9 suggestion would subject the bare ductile iron pipe to the high pH. Mr.
10 Colbaugh stated that the suggestion may fix the problem for another
11 ten years.

12 Mr. Colbaugh asked if a Preliminary Engineering Report (PER) had
13 been prepared for the design of the existing pipeline. Mr. Fern replied,
14 no. Mr. Colbaugh asked, since there was no PER available, were
15 problems not considered with such a long pipe line and little water
16 usage? Mr. Fern replied that there was water usage at the Camp, year
17 round, but very little. He stated that the major question was whether
18 everyone realized how "soft" the water really was. Mr. Colbaugh
19 stated that the softness of the water should have been reviewed in a
20 design report from the design engineer. Mr. Fern stated that water
21 softness was not considered for water main extensions. Mr. Colbaugh
22 asked which engineering firm conducted the design. Mr. Fern replied
23 that Draper Aden Associates conducted the original design of the
24 pipeline.

25 Mr. Carter asked if any responsibility could be placed on the rate
26 payer. Mr. Fern replied no. Mr. Thomas stated that the problem was
27 caused because the water sits in the concrete pipe for the seven "off-
28 months" that the Camp is closed. Mr. Fern stated that water
29 continuously flowed through the pipe, but with a much lower demand in
30 the winter months. Mr. Carter stated that the Camp was a charitable
31 organization which the ACSA supported. He asked, if the problem

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1 occurred somewhere else, would the ACSA feel responsible then? Mr.
2 Fern replied that the ACSA would. He noted that the concentrations of
3 pH were above the normal amounts.

4 Mr. Fern stated that, last year, the Maintenance Department
5 continually pulled water from the pipeline and discharged it into the
6 sewer so that the lower pH could be maintained. He stated that the
7 ACSA could continue this procedure, but noted it caused a strain on
8 the Maintenance Department.

9 Mr. Colbaugh asked why there was a pH problem in the summer,
10 when the usage was normal. Mr. Gorham stated that the Maintenance
11 Department flushed the water line in the summer while the Camp was
12 in operation. Mr. Colbaugh stated he understood that there was not a
13 problem with leaching in the summer. Mr. Fern stated that the problem
14 occurred year round, whether the Camp was in session or not. Mr.
15 Colbaugh asked if the ACSA only took remedial action in the summer.
16 Mr. Fern replied that the ACSA flushed the pipe year round. Mr.
17 Bowling asked if flushing the pipe solved the pH issue. Mr. Gorham
18 replied in the affirmative. Mr. Bowling asked how much it cost to flush
19 the pipe versus paying \$200,000 for relining the pipe. Mr. Fern replied
20 that continuously flushing would cost more for the ACSA, taking into
21 account the manpower and truck usage.

22 Mr. Bowling stated that the Camp water line had a long history. He
23 stated that the camp was previously served by an ancient water line,
24 ran from the Sugar Hollow water line. He advised that the line
25 deteriorated, requiring the 9,000 foot water line extension. He stated
26 that there was considerable thought given to providing the Camp with a
27 well system at that time. Mr. Fern recalled that either the ACSA or the
28 Camp had elected not to have a well system installed. Mr. Bowling
29 speculated that the Camp elected not to have a well system installed
30 due to the nature of their activity and the incurred costs. Mr. Bowling

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1 stated that the previous Board had also decided not to install a well
2 system.

3 Mr. Thomas asked how long the epoxy, or liner, lasted. Mr.
4 Gorham stated that the epoxy coating was expected to have the same
5 lifetime as the original pipe, which was approximately 50 years. Mr.
6 Bowling asked if the pipe manufacturer had been contacted. Mr.
7 Gorham stated the manufacturer had been contacted, and that the
8 American Water Works Association (AWWA) was also researching
9 other communities with similar problems, where there wasn't a coating
10 over the cement lining. Mr. Colbaugh asked if the cement lining had a
11 coating over it. Mr. Fern clarified that the current pipe had a lining,
12 separating water from the concrete. He stated that the problem was,
13 when the pipe was cut, the lining was compromised. Mr. Gorham
14 added that the lining was c applied and then a coating was applied
15 over that, acting as a barrier to the cement lining. He added, when the
16 pipe was cut, the rim of the cement lining was exposed. He noted that
17 AWWA studies had determined that the internal coating was not a
18 guarantee against possible leaching.

19 Mr. Colbaugh asked if an alternative has been researched to
20 patch the areas of the pipe that were cut. Mr. Fern stated that the
21 ACSA did not know if the only location of the leaching was in the areas
22 of the pipe that were cut. Mr. Fern noted that the ACSA had talked
23 with the manufacturer of the pipe and learned it would be difficult to
24 prove negligence since the pipe was distributed from the manufacturer
25 to the contractor.

26 Mr. Hilton asked what the water use was for the Camp. Mr.
27 Gorham replied that the usage averaged 3,600 gallons per day in the
28 summer, and 350 gallons in the off seasons. Mr. Hilton asked if the
29 water could be treated as it was distributed. Mr. Gorham stated that
30 water treatment was an option reviewed in the report. He added that a
31 lot of criteria were evaluated. He stated that treating the water at the

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1 Camp would not eliminate the corrosion problems within the pipe. Mr.
2 Fern stated that in addition, the ACSA would be responsible for the
3 lifecycle cost, chemical costs, and the electrical costs that would occur
4 over the next 50 years. Mr. Fern advised that staff has reviewed all of
5 the options and the engineering consultant had reviewed all of the
6 options. He stated that lining the pipe would be the quickest and best
7 way to solve the problem before the Camp re-opened.

8 Mr. Colbaugh stated that the ACSA solved the problem last year by
9 flushing the pipe continuously. Mr. Fern stated that the ACSA solved
10 the problem by making sure the water distributed to the Camp had
11 acceptable pH concentrations. He advised that the Maintenance
12 Department pulled water from the pipe, hauled it by tank truck and
13 discharged it into a sewer. Mr. Colbaugh asked if the Camp could
14 solve the problem by flushing their lines during the day. Mr. Fern
15 stated that there was no sewer in the area for the Camp to discharge
16 the water into. He added that Mr. Colbaugh's suggestion would not
17 conserve water. Mr. Bowling asked if the water could be discharged
18 into the reservoir. Mr. Fern replied no, since the water was
19 chlorinated.

20 Mr. Thomas asked for a cost estimate and time frame on
21 construction for a stand-alone well system. He stated that the ACSA
22 had tried to work around the issues with the Camp, but kept running
23 into additional problems. Mr. Fern stated that he did not have the well
24 system figures with him, but could provide them. Mr. Thomas stated,
25 without an idea of the cost of a stand-alone well system and the time
26 line, how would the ACSA know that lining the pipe was the most cost
27 effective way of delivering quality water to the Camp? Mr. Fern replied
28 that the engineer conducted a complete evaluation of all of the
29 alternatives, not including a well, but including treatment of the water
30 being distributed to the Camp. Mr. Thomas stated that he would like to
31 see the cost of a stand-alone well system for the Camp. He added that

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1 the proposed relining would only patch the existing system. He felt
2 that until the Board knew that relining the pipe was the overall cost
3 efficient way of providing water to the Camp, he was not comfortable
4 authorizing the funding.

5 Mr. Fern proposed the ACSA research the reason why the ACSA
6 Board and the Camp did not want to install a well system previously,
7 and provide that information to the Board. Mr. Bowling stated that the
8 relining of the pipe would provide the most cost effective “public water”
9 solution to the camp.

10 Mr. Colbaugh stated that normally, staff does not provide the Board
11 with PER’s, but noted that the Board did ask staff to provide a
12 preliminary evaluation of the water quality report to the Board for their
13 discussion, because it was an important issue. He stated that the
14 Board still had not received it, but were being asked to commit
15 \$200,000. Mr. Fern stated that the Board was provided with the water
16 quality data at the previous meeting, in their blue folders. He added
17 that the Board was not provided with the PER because it had not been
18 finalized. Mr. Gorham stated that the PER had been finalized and
19 received the previous day. Mr. Fern added that staff would be happy
20 to provide the Board with the information.

21 Mr. Colbaugh stated that he was not comfortable that the relining of
22 the pipe was the best solution. Mr. Bowling pointed out the “time
23 crunch,” which was driving staff’s recommendation. Mr. Carter agreed
24 with Mr. Thomas and Mr. Colbaugh. He stated the money would
25 benefit a very just cause, but he would feel more comfortable voting for
26 the appropriation of the funds if the alternatives were shown, with their
27 costs.

28 Mr. Martin felt the alternatives had been adequately investigated to
29 his satisfaction. He stated that it was a bad situation, and felt the
30 Board should move forward to have the problem remedied before the
31 Camp re-opened. Mr. Thomas stated that he would feel differently if

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1 the Board had been fully apprised of all of the alternatives. He added
2 that the ACSA had a solution to provide drinkable water to the Camp
3 this summer by continuing to flush; therefore the ACSA could be
4 thorough in investigating the alternatives.

5 Mr. Martin asked how much the pipeline originally cost. Mr.
6 Gorham replied that when the pipeline was constructed, it cost
7 approximately \$220,000. Mr. Martin stated, if a well was built, the
8 ACSA would lose \$220,000. Mr. Gorham stated that the line could
9 potentially serve other properties along its route. Mr. Colbaugh stated,
10 “We could re-bid the project today with an epoxy lining, it’s already
11 designed, we [would] get a \$200,000 project instead..., and put
12 another line in.” Mr. Gorham stated that Mr. Colbaugh’s suggestion
13 was also an alternative researched. Mr. Colbaugh asked, if the original
14 cost of the pipe was \$220,000, how could another pipe with an epoxy
15 lining be constructed and cost more [than the \$250,000 requested].
16 Mr. Gorham stated that a parallel line would typically be constructed of
17 plastic without an epoxy lining. He stated additional easements would
18 be required in order to avoid compromising the thrust blocks installed
19 on the existing line. He added that with relining, the timeline issue was
20 addressed, as well as eliminating rock removal, which had been
21 previously encountered. Mr. Colbaugh stated that a new line could be
22 constructed directly on top of the existing pipe, which would not require
23 additional easements.

24 Mr. Thomas asked the cost of removal of the existing pipe and the
25 construction of a new pipe in its same place, to avoid rock concerns.
26 He added that the engineering and design services would have already
27 been completed to install a four-inch diameter pipe in the exact
28 placement. Mr. Fern stated that the ACSA would have to contact a
29 contractor to determine those figures. Mr. Thomas clarified that Mr.
30 Colbaugh’s suggestion was not an alternative researched. Mr. Fern
31 stated if removing an existing pipe, the existing customers must

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1 continue to have water distributed to them. Mr. Colbaugh stated it
2 would be interesting to see the PER that reviewed the alternatives.

3 Mr. Hilton asked why the concrete lined, ductile iron pipe was
4 selected. Mr. Gorham stated that ductile iron pipe has been used by
5 the ACSA during his entire employment and noted that the pipe was
6 the industry standard. He added that the pH issue had not been a
7 problem previously. Mr. Hilton clarified that the ACSA installed ductile
8 iron pipe due to precedent. Mr. Gorham stated that the pipe also met
9 AWWA standards.

10 ***b. Dredging Feasibility Study Steering Committee-***

11 Mr. Colbaugh asked for a status report for a dredging feasibility
12 study steering committee. Mr. Fern replied that the RWSA discussed
13 not creating a steering committee. He stated that the RWSA decided
14 to create a website with all of the information, accessible to anyone.
15 Mr. Colbaugh asked if the website was acceptable to the City of
16 Charlottesville. Mr. Fern replied in the affirmative.

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

20 Mrs. April Walker read a resolution to enter into Executive Session
21 pursuant to Virginia Code Section 2.2-3711 A (1) to discuss a personnel matter;
22 and Virginia Code Section 2.2-3711 A (6) and A (7) to consider a cost allocation
23 agreement between the City of Charlottesville and the Albemarle County Service
24 Authority (Attached as Page ____).

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

29 The Board of Directors came back into regular session. Mrs. April Walker
30 read 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 ***Mr. Hilton moved to adopt the resolution, seconded by Mr. Martin.***
4 ***The Chairman asked for a roll-call vote: Mr. Martin, aye; Mr. Hilton, aye; Mr.***
5 ***Roberts, aye; Mr. Colbaugh, aye. Mr. Carter and Mr. Thomas were absent.***

6
7 ***Mr. Colbaugh moved to adopt the revised motion to hire Mr. Gary***
8 ***O’Connell and that he be employed starting April 19, 2010, and reaffirm that***
9 ***the benefit dollars allotted to Mr. O’Connell would be \$600.00 as is all***
10 ***existing employees and all other terms and conditions of his employment***
11 ***remain the same.***

12
13 Mr. Fern stated that if the City Council would allow Mr. O’Connell to leave
14 his position prior to April 19, 2010, he would like to start his employment with the
15 ACSA at an earlier date. He added that the \$600.00 benefit dollars was left open
16 to the Board to review annually.

17
18 ***Mr. Colbaugh moved that Mr. Gary B. O’Connell be hired and***
19 ***appointed as Executive Director of the Albemarle County Service Authority***
20 ***with employment to begin on a mutually accepted date after February 28,***
21 ***2010, at an entering salary of \$125,000 per annum, to include five weeks of***
22 ***paid leave and employment with eligibility for performance based bonus***
23 ***after one-year of up to \$5,000 and a monthly credit in benefit dollars to be***
24 ***determined annually by the Board, seconded by Mr. Hilton.***

25
26 Mr. Martin clarified that Mr. Colbaugh’s motion did not include the term
27 “paid annual leave.”

28 ***Mr. Colbaugh amended his motion to include “paid annual leave.”***
29 ***The Chairman asked for a roll-call vote. Mr. Martin, aye; Mr. Hilton,***
30 ***aye; Mr. Roberts, aye; Mr. Colbaugh, aye. Mr. Carter and Mr. Thomas were***
31 ***absent.***

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Mr. Colbaugh moved to approve a transition plan until Mr. O’Connell was able to report to work and that Ms. Breeden and Mr. Gorham be appointed as Co-Interim Executive Directors and receive a ten percent salary increase during that period until Mr. O’Connell takes over, seconded by Mr. Martin. All members voted aye.

Mr. Colbaugh moved that the Board authorize a 7.5% increase to Mrs. Whelan’s salary as an Information Systems Coordinator for exemplary service effective February 1, 2010, seconded by Mr. Hilton. All members voted aye.

12. Adjourn (Recording Time: 11:58:22 a.m.)

There being no further business, Mr. Colbaugh moved that the meeting be adjourned, seconded by Mr. Hilton. All members voted aye.

Gary W. Fern, PE, Secretary-Treasurer