



**RWSA BOARD OF DIRECTORS
Minutes of Regular Meeting
May 28, 2024**

A regular meeting of the Rivanna Water and Sewer Authority (RWSA) Board of Directors was held on Tuesday, May 28, 2024 at Rivanna Administration Building (2nd Floor Conference Room), 695 Moores Creek Lane, Charlottesville, VA 22902.

Board Members Present: Mike Gaffney, Sam Sanders, Jeff Richardson, Brian Pinkston, Ann Mallek, Quin Lunsford as alternate for Gary O’Connell, Lauren Hildebrand.

Board Members Absent: Gary O’Connell.

Rivanna Staff Present: Bill Mawyer, Lonnie Wood, Jennifer Whitaker, David Tungate, Betsy Nemeth, Jacob Woodson, Deborah Anama, Bethany Houchens.

Attorney(s) Present: Valerie Long.

1. CALL TO ORDER

Mr. Gaffney convened the May 28, 2024 regular meeting of the Board of Directors of the Rivanna Water and Sewer Authority at 2:44 p.m.

2. AGENDA APPROVAL

Ms. Mallek moved to approve the agenda. The motion was seconded by Mr. Pinkston and carried unanimously (6-0). (Mr. O'Connell was absent)

3. MINUTES OF PREVIOUS BOARD MEETING ON APRIL 23, 2024

Ms. Mallek moved to approve the minutes. The motion was seconded by Mr. Pinkston and carried unanimously (6-0). (Mr. O'Connell was absent)

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

Mr. Pinkston moved to elect Mr. Gaffney as Chair, Mr. Sanders as Secretary Treasurer and Mr. Richardson as Vice Chair. The motion was seconded by Ms. Mallek and carried unanimously (6-0). (Mr. O'Connell was absent)

5. RECOGNITIONS

- a. *Resolution of Appreciation for Mr. David Ulan*

Mr. Gaffney read the resolution recognizing David Ulan into the record:

"Whereas, Mr. Ulan has served the public for over 20 years including eight years as a Wastewater Operator for the Rivanna Water and Sewer Authority; and

47
48 *"Whereas, over the same eight-year period since 2016, Mr. Ulan has demonstrated leadership in*
49 *his field and has been a valuable resource to the Authority and its employees; and*

50
51 *"Whereas Mr. Ulan's understanding of the Authority's operation and dedication and loyalty to*
52 *the Authority has positively impacted the Authority, its customers, and its employees; and*

53
54 *"Whereas, the Rivanna Water and Sewer Authority Board of Directors is most grateful for the*
55 *professional and personal contributions Mr. Ulan has provided to the Rivanna Water and Sewer*
56 *Authority and to its customers and its employees; and*

57
58 *"Now therefore, be it resolved that the Rivanna Water and Sewer Authority Board of Directors*
59 *recognizes, thanks, and commends Mr. Ulan for his distinguished service, efforts, and*
60 *achievements as a member of the Rivanna Water and Sewer Authority, and presents this*
61 *Resolution as a token of esteem, with its best wishes in his retirement.*

62
63 *"Be it further resolved that this Resolution be entered upon the permanent Minutes of the*
64 *Rivanna Water and Sewer Authority."*

65
66 **Ms. Mallek moved to adopt the resolution. The motion was seconded by Mr. Sanders and**
67 **carried unanimously (6-0). (Mr. O'Connell was absent)**

68
69 **6. EXECUTIVE DIRECTOR'S REPORT**

70 Mr. Mawyer stated that he would like to congratulate Quin Lunsford on being selected as the
71 next Executive Director of the Albemarle County Service Authority. He stated that he welcomed
72 Mr. Lunsford to their group, and he will officially become a Board Member in July.

73
74 Mr. Mawyer stated that he wanted to acknowledge Robbie McMullen and Chris Ward for
75 passing their Class 1 Wastewater Operator License. He stated that eight staff members in the
76 Maintenance department had completed mechanic training courses recently. He stated he wanted
77 to congratulate Jennifer Whittaker, the Director of Engineering and Maintenance, on becoming a
78 2024 graduate of the Charlottesville Regional Chamber of Commerce Leaders Lab of Greater
79 Charlottesville.

80
81 Mr. Mawyer stated that May 31 was National Dam Safety Awareness Day and that their Senior
82 Engineer, Ms. Fort, would provide information about our reservoir dam program in December.
83 He stated that they manage six dams in the area - five for water supply and one for stormwater
84 management at the Lickinghole basin near Crozet.

85
86 Mr. Mawyer stated that the work on the Rivanna Pump Station restoration was ongoing. He
87 stated that the independent consultant had completed a draft causation report, which they had
88 reviewed and provided comments. He stated that it would be forwarded to their property
89 insurance the following week. He stated that the draft report provided data from SEH
90 Engineering regarding the damage at the Rivanna Pump Station. He stated that they would
91 provide a more detailed report to the Board next month. He stated that they would review the
92 report with their property insurance company and confirm causation and coverage details. He

93 stated that the insurance document was extensive and required careful review to fully understand
94 what was covered, as well as the amount of coverage involved.

95
96 Mr. Pinkston asked if there was a clear story that emerged from the events.

97
98 Mr. Mawyer stated that they had concluded their discussion with SEH and planned to meet with
99 the insurance company to review it before delving into it in detail. He stated that they will do so
100 as soon as they receive concurrence from VRSA, their property insurance carrier. He stated that
101 a Technical Advisory Committee consisting of consultant engineers and contractors was
102 convened to discuss how repairs to the pump station might proceed.

103
104 Mr. Mawyer stated that the group came up with some good ideas regarding the pumps. He stated
105 that their plan was to reuse the submerged pumps, which will be rebuilt, while replacing the
106 pump motors with new ones, the electrical driving portion of the pump. He stated that according
107 to the manufacturer and their consultants' review, this was the current plan for the six pumps.

108
109 Mr. Mawyer stated that at the beginning of May, they experienced some misfortune at their two
110 primary clarifiers. He stated that the primary clarifiers provide wastewater treatment by slowing
111 the flow to allow solids to settle at the bottom of the clarifier basin. He stated the clarifiers were
112 covered with aluminum to minimize odors in the area, and large pipes above the covers pull a
113 vacuum under the cover to a silo, where they clean the air as part of their odor minimization
114 program.

115
116 Mr. Mawyer stated that their contractor working on the major electrical project at Moores Creek
117 made an error, causing the clarifiers to run backward. He stated that underneath the covers are
118 arms that move sludge to the center of the clarifier before it is pumped over to their digesters. He
119 stated that as a result, the clarifier arms ran backwards, causing damage to them. He stated that
120 their consultant and contractors managed to get clarifier number one back into service. He stated
121 that they expect clarifier number two to be operational in a couple of weeks.

122
123 Mr. Mawyer stated that these clarifiers remove nutrients, such as phosphorus and nitrogen, from
124 the wastewater, and there are requirements in their VDEQ permit related to how much nitrogen
125 and phosphorus they can discharge into Moores Creek. He stated that it was an annual permit
126 that they calculate how many pounds they discharge at the end of the year. He stated that they
127 initially had concerns that without the clarifiers in operation, they would be challenged to meet
128 the permit requirements. He stated that due to the quick repairs implemented, they were now
129 confident that their compliance with the permit will not be a problem.

130
131 Mr. Mawyer stated that no wastewater was discharged because of the clarifier issue. He stated
132 that they have communicated with the VDEQ regulator and the community about potential
133 odors. He stated that with a strategic plan priority on communications and collaborations, they
134 will continue to engage in such activities. He stated that recently they gave an annual
135 infrastructure update presentation to the Crozet Community Advisory Committee. He stated that
136 students from St. Anne's Belfield helped them remove tree tubes from young trees at their
137 mitigation site located at the front of Moores Creek, which was part of the mitigation for
138 environmental impacts caused by building the Ragged Mountain Dam. He stated that they also

139 participated in the Rivanna River Fest.

140
141 Mr. Mawyer stated that the bladder deflation at Sugar Hollow occurred in January. Since then,
142 they had continued meetings with a community group of Sugar Hollow residents. He stated that
143 these residents discussed audible alarms that might be installed at Sugar Hollow to alert people if
144 there was a sudden failure of their equipment. He stated that they also met with Jeremy Evans,
145 the Emergency Management Coordinator with the City's Office of Emergency Management. He
146 stated that Mr. Evans visited their facilities virtually to learn more about Rivanna and collaborate
147 on emergency preparations.

148
149 Mr. Mawyer stated that they provided a windshield and virtual tour for Greene County Director
150 of Utilities, Dave Hundelt, showcasing their facilities and discussing those operated by Greene
151 County as a utility. He stated that they met with Senator Deeds at his request, who had concerns
152 about the precipitate experienced in Glenmore and at least one house in Farmington. He stated
153 that they provided an update on their research and investigation of this issue for the limited scope
154 of affected houses. He stated that Senator Deeds seemed satisfied with the information they
155 provided.

156
157 Mr. Gaffney asked if there was an update on the sediment in Glenmore.

158
159 Mr. Mawyer stated that they were conducting research in the laboratory with their consultant to
160 determine the specific chemistry mix required for the precipitate sediment. He stated that they
161 had changed the corrosion inhibitor a few years ago, which led to speculation that it may have
162 caused the sediment. He stated that they have not yet established this as the reason. He stated that
163 the consultant was working to identify the actual cause of the issue.

164
165 Mr. Mawyer stated that this problem had been limited to hot water systems. He stated that they
166 are confident that water age played a role in this situation. He stated that Glenmore, located at
167 the eastern end of the water distribution system was the farthest point from the South Rivanna
168 Water Treatment Plant. He stated that the water travels through Pantops Tank and another tank
169 near Glenmore before reaching residents via long water mains within the community.

170
171 Mr. Mawyer stated that one of the primary residence with concerns about sediment was located
172 at the end of a cul-de-sac. He stated that factors such as water age, hot water heaters, and hot
173 water recirculation continue to be common elements of this sediment issue. He stated that in
174 about a month, they hoped to have a better answer regarding what may be causing the sediment.

175
176 **7. ITEMS FROM THE PUBLIC**

177 There were none.

178
179 **8. RESPONSES TO PUBLIC COMMENTS**

180 There were no items from the public, therefore, there was no response.

181
182 **9. CONSENT AGENDA**

183 *a. Staff Report on Finance*

184 *b. Staff Report on Operations*

- 185 c. *Staff Report on CIP Projects*
- 186 d. *Staff Report on Administration and Communications*
- 187 e. *Staff Report on Wholesale Metering*
- 188 f. *Staff Report on Drought Monitoring*
- 189 g. *Approval of Fiscal Year 2024-2025 Pay Scale Adjustment*
- 190 h. *Approval of Personnel Management Plan Update*

191 Ms. Mallek stated that in the past, suggestions had been made to use only Moormans River water
192 for urban areas. She stated that it was impossible to meet that demand due to limited water
193 supply and seasonal restrictions. She stated that they needed all parts of their system. She stated
194 she appreciated learning about Rivanna's progress on cybersecurity, which might be discussed
195 later under CIP. She stated that at the EPA meeting last Tuesday, cybersecurity was the main
196 topic for local government advisory committees, focusing on behaviors that threaten over 70% of
197 water utilities in the country.

198
199 Ms. Mallek stated that the most affordable preventions were also the greatest dangers. She stated
200 that federal licensors were taking this seriously, mentioning SCADA as something necessary.
201 She stated she was thankful for the well-updated training protocols and being part of a combined
202 system with enough customers to afford these measures. She stated that in contrast, communities
203 with fewer customers struggle with staffing and security. She stated that in the small utility
204 organizations, one person may wear 16 hats and try to handle security too.

205
206 **Ms. Mallek moved to approve the consent agenda. The motion was seconded by Mr.**
207 **Pinkston and carried unanimously (6-0). (Mr. O'Connell was absent)**

208 **10. OTHER BUSINESS**

- 209 a. *Presentation and Vote to Consider Approval of the FY 2025-2029 Capital*
210 *Improvement Plan*

211
212 Jennifer Whitaker, Director of Engineering and Maintenance, stated that the six key goals of
213 their Capital Improvement Program (CIP) for the next five years were as follows: 1) Reliability -
214 ensuring compliance or exceeding regulatory mandates; 2) Addressing climate change by
215 enhancing capacity, reliability, and resilience of drinking water infrastructure; 3) Improving
216 critical drinking water infrastructure in areas like the northern end of the County; 4) Enhancing
217 their ability to address emerging contaminants, such as PFAS; 5) Leveraging partnerships with
218 other utilities, agencies, VDOT, UVA, City utilities, and the County; and 6) Completing the CIP
219 in an environmentally protective and financially responsible manner.

220
221 Ms. Whitaker stated that the CIP consisted of 64 projects with a total cost of \$371 million. She
222 stated that about 60% of that was for urban water, which amounted to \$223 million, and
223 approximately 21% was for urban wastewater. She stated that around 19% of the total five-year
224 plan was for non-urban projects as well as some shared projects like safety and security. She
225 stated that the capital plan from the previous year was about \$326 million. She stated that the
226 team had completed projects valued at almost \$45 million.

227
228 Ms. Whitaker stated that in FY 29, they added another \$47 million in projects as well as seven
229 new projects. She stated that although the value for these new projects was relatively low, it was
230 due to early phase estimating for projects that could increase in upcoming years. She stated that
231 they had accelerated the South Rivanna to Ragged pipeline project last year, but the full financial
232 implications were reflected here. She stated that the inflation and scope addition was smaller
233 than the previous years, amounting to approximately \$25 million.

234
235 Ms. Whitaker stated that the first line on her slide showed the capital improvement five-year
236 program's funding plan. She stated that they had already paid \$14.4 million, and existing debt
237 proceeds were \$9.4 million. She stated that there was about \$14 million in cash reserves. She
238 stated that \$25 million was expected from grants, but an extra \$2.8 million in grant funds had
239 been received since the chart was published. She stated that with the new position of grants and
240 sustainability coordinator joining their team, they aimed to increase grant funding over time. She
241 stated that this left them with about \$308 million in new debt for future projects. She presented a
242 payment plan chart showing their 15-year planning horizon.

243
244 Ms. Whitaker stated that there was a peak in expenses during FY 26, 27, and 28, which was
245 mainly due to community water supply projects. She stated that there was a projection that the
246 funding for these projects will taper off; however, this may change depending on regulatory
247 mandates. She stated that these are the projects they will be working on, including those
248 currently underway.

249
250 Ms. Whitaker stated that operation, maintenance, and safety needs involved addressing things
251 like steel and concrete facilities that are 50 years old and require rehabilitation. She stated that
252 painting was another significant area they needed to address. She stated that regulatory updates
253 at Beaver Creek Dam, Buck Mountain property dam remediation, North Rivanna water treatment
254 plant decommissioning were all regulatory driven. She stated that there were resiliency and
255 redundancy projects.

256
257 Ms. Whitaker stated that some projects on the list had grant funding as part of their funding
258 strategy. She stated that the goal was to have more projects with grant funding to offset costs.
259 She stated that the community water supply plan was the largest component of the five-year CIP.
260 She stated that many of the projects on this map were predominantly funded within that five-year
261 period and were anticipated to bid and begin construction between late summer 2024 and fall of
262 2025.

263
264 Ms. Mallek acknowledged that the green spike within the 25-year funding chart was concerning.
265 She stated that waiting until things were leveled out, as done 10 to 20 years ago, would have
266 resulted in cost increases that could potentially consume all available resources. She stated she
267 was grateful for the enthusiasm and readiness to proceed with this action. She stated that this
268 decision would eliminate uncertainty regarding numerous aspects.

269
270 Mr. Gaffney stated that these initiatives had been part of the water supply plan for 20 years, and
271 it was now time to complete them.

272

273 **Mr. Pinkston moved to approve the FY 2025-2029 CIP, totaling \$371,000,436. The motion**
274 **was seconded by Ms. Mallek and passed unanimously (6-0). (Mr. O'Connell was absent)**
275

276 *b. Presentation, Public Hearing, and Vote to Consider Approval of the Resolution to*
277 *Adopt the FY 2024- 2025 Rate Schedule, and Approval of the FY 2024-2025 Budget*

278 Lonnie Wood, Director of Finance and Information Technology, stated that the main areas of
279 focus for the budget were: fully funding the debt service charges driven by the five-year CIP;
280 establishing a framework for resources to achieve their strategic goals and plan; fully funding
281 certain operating costs which had been lagging behind budget estimates; and translating these
282 objectives and priorities into reasonable charges for the City Utilities and the ACSA.

283
284 Mr. Wood stated that the budget was increasing by \$7.4 million, or 15.6%, mainly due to debt
285 service of \$4.5 million and a roughly \$3 million increase for operating charges. He stated that the
286 budget was roughly split 50-50 between debt service and operations; however, this was the first
287 year where debt service had surpassed the operating budget.

288
289 Mr. Wood stated that the largest of the revenue increases was the customer charges at \$6.3
290 million. He stated that although the ACSA had a larger share in terms of dollars, their percentage
291 increase was slightly smaller, at 13.7%. He stated that the overall increase was 14%, with the
292 City's being 14.5%. He stated that estimates of interest had been factored in, as they had
293 increased over the past year and should continue to do so unless rates change.

294
295 Mr. Wood stated that the charge given to the Solid Waste Authority for joint administrative
296 support increased by approximately \$124,000. He also stated that septage acceptance had a small
297 increase of \$50,000, while all other revenues decreased, mainly due to the use of reserves and a
298 slight reduction in nutrient credit payments. He stated that debt service was the largest cost
299 driver, accounting for 60% of the total increase, and personnel costs were the next largest.

300
301 Mr. Wood stated that utilities and chemicals were the two main areas of budget lag that were
302 discussed in previous meetings; they had not been able to keep up with these expenses due to
303 their unpredictability. He stated that the costs had now stabilized, and this represented the budget
304 catching up to actual expenses for the past couple of years. He stated that the remaining 7% of
305 the increase included IT system increases, lab testing for PFAS and other emerging
306 contaminants, as well as insurance, professional services, and other changes.

307
308 Mr. Wood stated that their personnel costs were increasing by \$1.2 million, and this was due to a
309 3% COLA and 2% merit increase, amounting to a \$425,000 increase. He stated that there were
310 four additional positions that were partially funded throughout the year at \$205,000. He stated
311 that fully funding of the positions approved last year for \$163,000 was necessary. He stated that
312 the four new positions in the budget included the Deputy Executive Director. He stated that this
313 position has been contemplated and discussed several times in the succession management plan.

314
315 Mr. Wood stated that the Deputy Executive Director's role was to manage the Finance,
316 Engineering, and Operating Division Directors. He stated that the Grants and Sustainability
317 Coordinator will assist in acquiring funding sources from local, state, federal, or private sources.

318 He stated that the Outreach and Communications Coordinator will focus on marketing and public
319 outreach, managing the website and social media pages. He stated that the Wastewater Operator
320 will augment the current staff of 16.

321
322 Mr. Wood stated that the financial forecast for the next five years included figures for FY 2025,
323 with estimates for FY 2026-29 provided to the City and ACSA annually as a benchmark. He
324 stated that although increases were high, they remained fairly stable each year. He stated that the
325 capital budget for next year will be \$79 million, and the five-year CIP was \$371 million. He
326 stated that the new debt needed over the five-year period was \$308 million.

327
328 Mr. Gaffney opened the public hearing for comments from the public.

329
330 Neil Williamson, Free Enterprise Forum, stated that although his organization did not have a
331 position on this budget, they did have an opinion regarding Rivanna's approach to the
332 community's Water Supply Plan. He stated that previously, the Piedmont Environmental
333 Council, the Free Enterprise Forum, and the Chamber of Commerce all signed a letter in support
334 of the plan, which was a hard-fought effort that ultimately gained community-wide approval. He
335 stated that although governmental processes can be slow, this was often beneficial.

336
337 Mr. Williamson stated that currently, funding for the plan was being allocated with the peaks
338 seen in the CIP indicating significant financial commitment. He stated that despite these
339 challenges, the Free Enterprise Forum remained supportive of the plan. He stated that they
340 appreciated the transparency demonstrated by both RWSA and ACSA as they anticipated these
341 developments. He stated that the Water Supply Plan was essential for the community's needs. He
342 stated that the Free Enterprise Forum endorsed the continued adaptation and progression of the
343 community's Water Supply Plan.

344
345 There was no one else wishing to comment, either in person or remotely, so the public comment
346 was closed and the matter brought back before the Board.

347
348 **Ms. Mallek moved to adopt the FY 2024 – 2025 rate schedule and the FY 2024 – FY 2025**
349 **budget. The motion was seconded by Mr. Pinkston and passed unanimously (6-0). (Mr.**
350 **O'Connell was absent)**

351
352 *c. Presentation and Roll Call Vote to Consider Issue of Revenue Bond*

353 Mr. Wood stated that they had reached the point in the capital plan where they had to go to
354 market and issue debt financing. He stated that the last debt financing was in 2021, with a \$40
355 million bond issue, and there were approximately \$6 million left in the proceeds account for that,
356 restricted mainly to the Observatory Water Treatment Plant, Airport Road pump station and
357 South Rivanna Water Treatment Plant improvements. He stated that these funds could not be
358 used for any other projects.

359
360 Mr. Wood stated that they did not want to over-proceed themselves in bond issues because the
361 IRS had a regulation requiring bond proceeds spend-down rules within a two-year period. He
362 stated that this left them with \$112.8 million in project costs addressed in this bond issue, with
363 \$20 million funded through cash reserves or other funding sources. He stated that they

364 anticipated receiving insurance proceeds for the Rivanna pump station restoration project. He
365 stated that the City had signed an agreement to fund a portion of the Emmet Street Water Line
366 betterment project.

367
368 Mr. Wood stated that in April, they applied to the VRA summer pool loan program, which was
369 an efficient way to obtain bond proceeds. He stated that the VRA bundles bond requests from
370 several localities which provides an economy of scale for underwriting fees and issuance costs.
371 He stated that managing and administering the bond over its 30-year life was easier through this
372 method. He stated that to determine the not-to-exceed amount of the bond, they worked
373 backward by starting with the net proceeds needed, \$92.8 million, adding the cost of issuance for
374 local costs, \$150,000, a \$275,000 contribution to a reserve allowance for VRA deposits, and
375 VRA's cost of issuance and underwriting fees, \$850,000. He stated that this resulted in a total
376 bond issue amount of \$94 million.

377
378 Mr. Wood stated that VRA recommended adding a 5% allowance for discount pricing, which
379 may affect bond prices based on market demands. He stated that currently, they operated in a
380 premium market; however, this was merely a cautionary note. He stated that this indicated that a
381 total not-to-exceed amount of \$99.1 million was necessary.

382
383 Christopher Kulp, Bond Counsel from Hunton Andrews Kurth LLP, stated that the Resolution
384 before the Board would approve the form of the basic financing documents. He stated that bonds
385 were being issued pursuant to a master trust agreement, and they were currently on their 33rd
386 supplement. He stated that each time a separate series of bonds was issued, a new supplemental
387 agreement had to be entered, containing the basics for that particular bond issue. He stated that
388 this fell within the context of the larger master trust agreement. He stated that VRA required a
389 separate loan agreement, but most provisions and covenants in it refer to the master trust
390 agreement.

391
392 Mr. Kulp stated that the documents were not finalized and still needed to be reviewed. He stated
393 that they will continue working with VRA to finalize the basic provisions in terms of the
394 financing agreement. He stated that the resolution also included provisions approving the basic
395 parameters of the bond issue and the principal amount not-to-exceed-figure. He stated that they
396 could lower the amount and inform VRA that depending on certain project costs and insurance,
397 some of the topics discussed earlier may be resolved.

398
399 Mr. Kulp stated that as a result, if they can decrease the required dollar amount to borrow, the
400 loan amount will be reduced. He stated that they could request VRA to decrease the requested
401 amount but would not issue more than \$99.1 million with a maximum maturity parameter of
402 2054 and a true interest cost parameter of no more than 5.5%. He stated that as part of the
403 resolution, they requested delegated authority to officers and administrative staff, executive staff
404 to finalize, approve, and sign the documents.

405
406 Mr. Kulp stated that VRA issued bonds on a tax-exempt basis, benefiting all borrowers within
407 the program with those rates. He stated that local borrowers issue taxable bonds technically, but
408 VRA requested that local borrowers not to do anything affecting the tax status of the bonds. He
409 stated that the basic arbitrage and private use covenants were the primary focus, and they were

410 not an issue for the Authority. He stated they were confident that the Authority can satisfy those
411 covenants.

412
413 Mr. Kulp stated that the authority had carried out other financing through VRA. He stated that
414 these documents were quite similar to others. He stated that in terms of substance, they were not
415 doing anything different from what the Authority had previously agreed upon in past financings.

416
417 Mr. Wood stated that last month, they approved a reimbursement resolution related to this. He
418 stated that VRA's timeline on this issue pushed them to address it earlier than anticipated, so they
419 presented the bond documents this month. He stated that in terms of the reimbursement aspect of
420 that matter, they had already spent \$15.8 million of funds for these projects. He stated that upon
421 closing the bond in August, they will reimburse themselves a significant portion of this cost,
422 which will restore cash balances to the necessary levels.

423
424 **Ms. Mallek moved to authorize the issuance, sale, and award of bonds by the Rivanna**
425 **Water and Sewer Authority for its taxable regional water and sewer system revenue bond**
426 **in a principal amount not to exceed \$99,100,000, and providing for the form, details, and**
427 **payment thereof. The motion was seconded by Mr. Pinkston and passed unanimously (6-0).**
428 **(Mr. O'Connell was absent)**

429
430 *d. Presentation: Buck Mountain Property Update and Sale of 1706 Buck Mtn. Rd.*

431 Bethany Houchens, Water Resources Coordinator, stated that this was an update on the Buck
432 Mountain property. She stated that the Buck Mountain properties were purchased in the 1980s
433 with the intention to build a water supply reservoir; however, due to unforeseen circumstances,
434 they were unable to do so. She stated that the spiny mussel found on the property was protected
435 by the EPA. She stated that there were approximately 1,300 acres, around 600 of which have
436 deed restrictions, mostly stream buffers around the Piney River and Buck Mountain Creek. She
437 stated that in total, there were 38 parcels.

438
439 Ms. Houchens stated that in 2019, it was decided that a master plan was needed to create a
440 cohesive strategy for managing all these properties. She that the properties were added to the
441 master plan in 2020 and included a list of the site's history regarding land use, constraints, and
442 potential infrastructure opportunities. She stated that as of now, 21 of the parcels had been
443 leased, totaling around 735 acres and generating approximately \$11,000 in revenue annually for
444 Rivanna.

445
446 Ms. Houchens stated that in April of 2022, the Board approved criteria for selling Buck
447 Mountain properties. She stated that these included only selling properties above the elevation of
448 475 feet, which was the planned reservoir level plus 10 feet of buffer. She stated that they will
449 offer the properties for sale to the public through a sealed bidding process at a minimum fair
450 market value and conduct a public hearing by the Board before executing a contract with the
451 highest responsive bidder.

452
453 Ms. Houchens stated that in 2022, they sold the 1880 Buck Mountain Road property. She stated
454 that the property was nine acres, which was divided into a separate lot with 2.2 acres that
455 included the house built in the late 1800s. She stated that the highest bid was \$136,501. She

456 stated there was another house on a property that recently reverted back to Rivanna's stewardship
457 following the owner's passing. She stated the Authority would like to subdivide and sell this
458 property as they did with the Elliott house at 1880 Buck Mountain Road.

459
460 Ms. Houchens stated that they purchased the property and house in 1985 for \$67,500 and now it
461 consisted of a total of 6.88 acres. She stated that the 2024 land assessment was around \$138,000,
462 and the improvements were assessed at \$156,000. She stated staff recommended subdividing the
463 property with the house on it and offering it for sale to the public.

464
465 Ms. Mallek clarified that this was the house on the west side of the road on a crest. She stated she
466 was surprised by how steeply the elevation changed to the northwest. She stated she now
467 understood why they wanted to retain the rear of the parcel. She stated she was initially
468 concerned about subdividing and adding another house, but this answered her question.

469
470 **11. OTHER ITEMS FROM BOARD/STAFF NOT ON AGENDA**

471 There were none.

472
473 **12. CLOSED MEETING**

474 There was none.

475
476 **13. ADJOURNMENT**

477
478 **At 3:41 p.m., Mr. Pinkston moved to adjourn the meeting of the Rivanna Water and Sewer**
479 **Authority. Ms. Hildebrand seconded the motion, which passed unanimously (6-0). (Mr.**
480 **O'Connell was absent)**

481
482 Respectfully submitted,

483
484 
485 **Mr. Sam Sanders**
486 **Secretary - Treasurer**

487

