

**FLUVANNA COUNTY CITIZEN WATER COMMITTEE  
MEETING MINUTES**

**April 15, 2010**

**MEMBERS PRESENT:**

Shelly Wright, Interim County Administrator  
John Robins, Public Works Director  
Vicki Karabinus, Economic Development Coordinator  
Roger Smith, Utilities Specialist  
Elizabeth Fortune, Planning Commission Representative  
Alan Batson, Chairman FUSD Advisory Board  
Richard Schwarz LMOA  
Elizabeth Franklin, Chair of Fluvanna Taxpayers Association  
Dennis Holder, Fluvanna Friends of Rural Preservation  
Stephen Scott, Chairman Economic Development Commission

**ALSO PRESENT:**

Fred Harris  
Peggy Harris  
Sam Patterson  
Leroy McCampbell  
Adrian Miller  
Keith Smith  
Erick Gomez  
Bill Hughes

**CALL TO ORDER & WELCOME**

Ms. Shelly Wright, Interim County Administrator, called the meeting of April 15<sup>th</sup>, 2010 to order at 7:06p.m. in the Historic Courthouse of Fluvanna County in Palmyra, Virginia. Ms. Wright welcomed the attendees and public.

**PUBLIC COMMENT**

Ms. Wright opened the meeting to Public Comment, asking each speaker to limit their remarks to 3 minutes.

Mr. Sam Patterson, Palmyra District spoke, asking the group to view from a “40,000 foot perspective” and stating that the concepts previously relied upon – that water will lead to economic development – are no longer valid. Mr. Patterson further stated that he believes the Timmons data was speciously derived because of their business interest in construction of the pipeline. He encouraged the committee to consider a “no build” alternative and not take on an additional \$45 Million in debt.

Mr. Adrian Miller, Rivanna District, added that the correct kind of economic development is critical, but at what cost? We need to be more aggressive in pursuing light industry and tourism. Most of the planned growth areas are not dependent upon a new water source. The driving force is getting water to Zion Crossroads and the Women’s Prison at all costs. Mr. Miller quoted the Louisa County Administrator as having said, “Louisa has enough water capacity to meet our needs until we can find another source,” and added that the County should not spend money it does not have.

Mr. Fred Harris, Fork Union District reiterated what the previous speakers stated. He added that he has looked at water utilities over 10-16 years as an investor. Without their ability to tap into public coffers,

they cannot survive. Creating a public authority to run a water system becomes very expensive. Mr. Harris thanked the committee for its work.

### **REVIEW AND ENDORSEMENT OF MINUTES**

Ms. Wright asked if there were any changes to the April 1<sup>st</sup> minutes, stating that there has been some email discussion about the minutes. They are contained on Page 23 of the packet that is going to the Board of Supervisors.

Ms. Franklin pointed out that she took exception to the line under point 5 regarding the five objectives as outlined. She did not agree to those objectives. Members were not polled individually. She further stated that she believes examining the proposed sites is worthwhile, but does not have sufficient information at this point to voice an opinion as to their viability as stated objectives.

Ms. Franklin went on to suggest the use of the term “care abouts” – things we all care about and would like to see there. Name it “potential objectives” or “care abouts”.

Ms. Wright responded that there are two ways to resolve the issue: either state in the minutes that everyone agreed to it except Ms. Franklin, or change the heading. As the minutes are written, if members did not specifically object, consensus was assumed. Ms. Wright further questioned whether perhaps the process should change to allow for polling members individually.

Mr. Batson responded that we are testifying that these minutes reflect what happened at the meeting and nothing else. If someone wants to change what is reflected in the minutes, that has to be accepted by the group.

Mr. Holder stated that the statement did not accurately reflect what happened at the meeting. Ms. Fortune suggested that amended language be offered:

*The committee did not unanimously agree to the five objectives.*

Ms. Franklin questioned the statement under point 3, page 25, referring to showing that an alternative is viable through a cost benefit analysis. The paragraph was not covered at the meeting. Mr. Robins responded that the items in question were included in the slides and were in the packets from the last meeting.

Mr. Fortune pointed out that the word “could” is a qualifier. Ms. Franklin stated that it would be more accurate to say that a slide was shown, rather than imply that it was discussed.

Mr. Holder remarked that there had been significant discussion as to whether it would be a “traditional” cost benefit analysis or opened up to alternative analysis. Mr. Robins responded that Mr. Marshall agreed to assist with development of the model for the cost benefit analysis. Mr. Holder asked to add “viable and beneficial”. Ms. Fortune pointed out that no model has been presented yet to be discussed. Mr. Smith stated that it had been suggested that “financially viable” was removed and that Mr. Holder had agreed to that.

*The minutes should be changed to reflect that it was a slide that had been presented.*

Also on page 23, point 5, capital outlay vs return on investment, Mr. Holder challenged whether that statement had been actually made. Mr. Robins agrees.

*The minutes should be amended by striking through everything following “...given alternative”.*

Ms. Wright asked for any other amendments to the minutes. There were none.

The minutes, as amended, were endorsed by the committee.

### **REVIEW OF WATER SUPPLY ALTERNATIVES**

Mr. Robins began the review with the package of information that will be provided to the Board of Supervisors in preparation for their April 21 meeting.

Ms. Franklin queried whether corrected minutes will go to the Board. Ms. Wright responded that the minutes will not go to the Board.

Mr. Robins reminded the group that if there are any issues where we are not in synch, we need to state that now so he can take that to the Board. He reviewed the Committee's chartered purpose:

- Better Communications
- Review the Decisions Process
- Develop a Recommendation of a Course of Action to the Board of Supervisors

Mr. Robins proceeded to display the presentation for the next Board of Supervisors meeting, including attachments. Mr. Robins reviewed the proposed timeline that will be presented to the Board. Ms. Fortuned offered Planning Commission work sessions on the 2<sup>nd</sup> Wednesday of the month and added that time could be made available in June for an additional presentation. The group agreed that we will target the June 23<sup>rd</sup> Planning Commission meeting for a presentation.

Mr. Robins reviewed the four components of the Communications Plan.

Objectives:

1. Ensure availability of water to Community Development Areas in the County as identified in the Comprehensive Plan for the long term, including Fork Union, Zion Crossroads, Palmyra, Rivanna, Columbia, and Scottsville.
2. Ensure availability of water to primary county facilities, including Central Elementary, the existing High School, the new High School, the Government Complex and Pleasant Grove, and the Government Complex at Palmyra Village.
3. Show that the alternative is financially viable through a cost/benefit analysis (CBA).
4. Protect the rural preservation area.

Mr. Holder stated that there was not any agreement on the paragraph appearing beneath this objective on the slide, indicating that he had proposed different language and no one appeared to object to it. Mr. Robins responded that he had inserted the current language simply to start the conversation. Mr. Batson suggested leaving the first 2 sentences and not go into the details at this point, suggesting that the sentences following "Therefore..." should be deleted. Mr. Robins responded that this will be deleted from the packet that will go to the Board.

5. Lowest possible current and deferred tax impact. Mr. Batson suggested deletion of the descriptive paragraph. Mr. Holder and Ms. Franklin agreed.

### **REVIEW OF COST/BENEFITS ANALYSIS METHODOLOGY & CRITERIA**

Mr. Robins indicated that Mr. Marshall has volunteered to develop the model for the cost benefit analysis. He proceeded to review the slides that were presented at the last meeting regarding benefits that could be included. Ms. Fortune indicated that a payback period needs to be included as well. There was some discussion regarding slide 17, showing various items that could be included in the CBA. The group was reminded that this list was intended to start the discussion, not dictate what the CBA should entail.

Ms. Fortune referred to the Water Study under Tab G, and pointed out that we should be discussing the fact that the data dates to May, 2000. Those assumptions may or may not still be valid. We need to revisit and validate or redefine those assumptions. Mr. Robins responded that there is a table of assumptions that need to be revisited and revalidated.

Mr. Batson added that we must try to project what the demand is going to be 10-plus years from now, adding that the Economic Development Commission is trying very hard to develop the Zion Crossroads area which is likely to affect demand. Ms. Fortune responded that we need to make sure that the assumptions for demand and future projections are valid and correct.

Mr. Holder added that Timmons ran projections that are more current. They are in the notebooks. We need to set aside some meeting time to go over that.

### **REVIEW OF ALTERNATIVE WATER SYSTEMS**

What should be considered as the fundamental building blocks of a water system?

- Source water
- Treatment
- Points of distribution of clean water
- Storage

Mr. Robins asked whether we all agreed that the long-term source is the James River. Mr. Holder responded that “long term” is the key phrase, further stating that on a long-term basis, we have nowhere else to go. Ms. Franklin indicated that there may be other things brought to the table that don’t necessarily include the James at this time.

Mr. Scott asked whether adding “uses” would be reasonable in this list.

Mr. Robins pointed out that there are three sections in the notebook addressing water needs. Section K contains all of the background that builds the table on page 10. He urged the group to spend some time reviewing that Section to understand how the numbers are derived as a starting point. The Timmons report is dated March 27, 2009, and was based on TJPDC data. The key is finding out what we, as a committee, think has changed. This topic of discussion will be added to the Agenda for the April 29 meeting.

### **EVALUATE CONSTRUCTION COSTS**

Mr. Robins recommended that the Timmons information be used as fundamental building blocks for developing construction costs. Those data are contained in Section N. We will need to extrapolate from some of the unit cost numbers to help estimate the costs of various alternatives. If the group encounters new issues, we have sources available to us that are industry standards to help with new information, or we can call upon some local engineers or contractors to help estimate costs. The group agreed to use that approach as suggested.

### **PHASING OF THE ALTERNATIVES**

Mr. Robins suggested that the committee look at the overall long-term plan, then come back and break it down into phases. Phasing is a very important component of the project, especially when it comes to cost estimates. Mr. Holder responded that there is an assumption that all of the ideas are good ideas, and that we should first look at existing needs and then address additional needs as they arise. He stated this would provide maximum flexibility.

Mr. Holder questioned why all current alternatives appear to follow highways when Timmons has reported that the State of Virginia has not yet granted permission for VDOT rights-of-way. Mr. Robins

responded that generally is the automatic response from the State, but they set conditions for rights-of-way. The County's most recent experience is that the State is generally amenable, and we just need to take specific steps to secure a right-of-way. In the worst case scenario, we will find another easement area. The current alternatives were set up along roads to provide the potential of serving the maximum possible customers.

Ms. Franklin stated that given the current economic conditions, it would be difficult to justify spending on a long-term project. Her recommendation is that the County consider the project incrementally and explore as many alternatives as possible. Ms. Fortune agreed that we are looking at a range of issues/actions as opposed to just what the County may potentially need in 50 years. Mr. Holder countered that we need to look at what we need right now and that we don't need to address the needs that may or may not arise in the future.

Mr. Schwarz responded that the County needs the overall framework to help ascertain the long term solution and then determine what Phase 1 should be.

Mr. Holder stated that we haven't established needs yet and the group should be open to the possibility that not all areas are in need of a water solution. Ms. Wright responded that if there isn't a need in a particular area, it would be eliminated from the list. We need to develop an alternative that over a specific timeframe (e.g., 50 years), the system is designed to logically extend wherever a need arises. We should not approach the design as being only for Phase 1 and hope it will transition in the future.

Mr. Holder responded that we don't want to use an alleged long term need to create a short term solution. If we don't look at the short term first, we can create an undesirable solution.

Ms. Fortune pointed out that there is a Urban Development Area (UDA) established at Zion Crossroads. If we are going to implement the Comprehensive Plan, we must address the need for water in the UDA.

Mr. Robins pointed out that the alternatives previously discussed came from earlier studies that had been conducted using specific parameters. He suggested that we begin with the James River Route 600 alternative (JRWA route) not talking about partnerships, but addressing only the pipeline issue. Section N contains the cost data needed for analysis.

He also reviewed the AquaVirginia alternative, the costs for which are contained in Section O. As presented, this alternative serves the same general areas, using the Lake Monticello treatment plant. Short term phasing takes water from the Rivanna River, but long term takes it from the James River. Mr. Batson pointed out that if the short term relies on the Rivanna as a water source, Louisa County will decline participation. Prompted by Ms. Fortune, there was some discussion as to what Louisa County might use as a "Plan B", prompting a question as to whether it might be less costly for Fluvanna County to purchase water from Louisa County for the Zion Crossroads area.

Mr. Batson responded that the AquaVirginia alternative would be too costly, recommending elimination of that alternative. The group opted to review information on all alternatives before making that determination.

Mr. Batson suggested consideration of a treatment plant and reservoir at Pleasant Grove that could be an attractive lake for recreation and tourism. Mr. Schwarz agreed. There followed a review of the James River Waterline map and a potential plant at Pleasant Grove, following either Route 600 or Route 15. Costs can be reviewed in Section N, which includes updated operating expenses. Mr. Schwarz pointed out that Lake Monticello has concerns with this alternative since there are 35 homes adjacent to Route 600. Additionally, Lake Monticello is currently undergoing an inundation study to certify the Lake Monticello dam. While that process will be complete prior to any water pipeline project, there is a recertification every five years. The inundation zone will have to be considered as part of the

recertification process. Following a comment by Mr. Holder, the group agreed that no alternatives should be discounted this point. Mr. Schwarz added that the AquaVirginia alternative should also be included.

Ms. Franklin presented alternatives for brainstorming, pointing out that FTA members have offered input but they have not had an opportunity to form a consensus. These alternatives take into account the current financial situation of the county:

1. The County is Broke plan. Do nothing. Ms. Wright pointed out that “do nothing” does not necessarily mean “zero dollars.”
2. The Fork Union First plan. The County brings raw water from the James to FUSD, providing an abundant water source for Fork Union and fostering economic development. Mr. Smith questioned the proposed route, coming from the Bremo intake, raw water to Fork Union at the closest place. Mr. Schwarz questioned the size of the pipeline considering present vs future needs. Mr. Batson stated that FUSD would have to have a treatment plan and we need to consider the cost to FUSD.
3. The FUSD to High School plan. This plan uses a water intake at the James. This option serves Palmyra, Pleasant Grove, and FUSD and provides a phased approach for future expansion. Mr. Robins stated that this option will need a surface water treatment plant, likely built at the county’s cost south of the Fork Union plant.
4. AquaVirginia serves the High School and Palmyra. This plan utilizes Aqua’s excess capacity and there is no need to expand the treatment plant. The County would own the water line. This option provides a Phased approach, allowing the County to add on later.
5. Aqua serves the High School plus Palmyra plus FUSD. This option contains some of the features stated above. Mr. Schwarz questioned whether this option draws from the Rivanna, and Ms. Franklin responded in the affirmative. This option also provides a phased approach with the potential to add on at a later date.

Mr. Batson pointed out that all of these options lack service to Zion Crossroads, our prime region for economic development. He added that Fork Union is not currently in proper condition to encourage economic development. Ms. Franklin responded that these options provided a frugal approach given the economic times.

Mr. Holder presented the following alternatives, looking primarily at the Zion Crossroads area:

1. Let Louisa Do It. Lateral lines from Louisa providing water for anyone to hook up. Cost Fluvanna nothing. Parallels plan for sewerage and sewage treatment from Louisa. Resembles Scottsville solution where Albemarle delivers water to Fluvanna users. Can be in place almost immediately.
2. Modified Let Louisa Do it. Minimum Cost to Fluvanna County. We spend a pipeline from Zion Crossroads to the prison. Serve Zion Crossroads from that trunk.
3. Towering in Fluco Plan. Building a water tower. Amend agreement with the prison. Use existing prison water supply expand prison’s treatment capacity. Building 2M gallon tower. Serve the prison and Zion Crossroads from that tank. Low start-up cost. Water tower will serve later system needs.
4. Free Enterprise Plan. Seed Money for Economic Development. Raw water from James up ECTI. Continue up route 600 to the prison. Encourage a private water treatment company to build a plan where the water is needed. Create design standards for developers building their own treatment plants. Partner with Louisa to provide raw water for their system.

Mr. Holder stated that the alternative number four presents the following advantages:

- Slash system costs by almost 90 percent
- Reduce taxpayer impact to less than 1 cent a year
- Protect rural preservation
- Provides abundant water source to Fork Union

- With cheap treatment – eg UV light – irrigates playing fields at new high school
- Provides expansion capability for schools and county buildings
- Serves Zion Crossroads and the Women’s Prison
- Creates business and jobs for package plant dealers and installers
- Offers a potential backup source for the Lake Monticello system
- Requires little maintenance and low operating costs

Mr. Robins committed to distributing copies of Mr. Holder’s presentation to the entire committee.

Mr. Robins advised the committee that, unless the prison figures out a new source, Option 3 is not viable due to the fact that Mechunk Creek is not a long-term water solution. Mr. Holder agreed to eliminate that alternative.

Ms. Fortune questioned how the tax impact was calculated. Mr. Holder that he used a “best estimate” of \$6-7M range at 4% for 30 years, which calculates to 1 cent or less.

Mr. Robins pointed out that if the group accepts these alternatives, we will need to determine the costs for each. Ms. Wright asked whether the committee is prepared to do a CBA on eleven alternatives. Ms. Franklin responded that, given the ambitious timeframe, she would like to share the alternatives with FTA for their input rather than try and eliminate something immediately. Ms. Wright noted that some alternatives are substantively similar, and asked whether the group agrees that if we do CBA on one, it’s reasonable to apply to the other variations. There were no stated objections to that approach.

Mr. Batson reiterated that the committee should agree on what the primary need is, adding that the current thinking is that the most important need is Zion Crossroads and not Fork Union. Ms. Franklin stated that Ms. Wright had previously indicated any alternatives considered should include Fork Union. Ms. Wright responded that we need to make sure that we present anything that eliminates getting water to Fork Union. If the Fork Union system fails, the County cannot have made an investment in a system that won’t provide water to that area

### **OTHER BUSINESS**

There was no other business presented.

### **SET AGENDA FOR UPCOMING MEETING**

1. Review of Timmons data on demand
2. Continue to discuss the alternatives
3. Detailed discussion of the CBA
4. More detailed costs of construction for some of the alternatives

### **PUBLIC COMMENT**

Ms. Wright opened the final Public Comment period, asking that each person limit their remarks to 3 minutes.

Mr. Leroy McCampbell stated that he is impressed with the cooperation and civility of the committee while discussing such an important subject. It is his opinion that alternative #5 presents the lowest possible tax impact, both current and deferred. He would like to have the committee include discussion of a tax benefit and determining the need for water at various locations.

Mr. Sam Patterson stated that the committee has done a very good job with a difficult topic. He added that this committee, however well-intentioned, cannot complete a Cost/Benefit Analysis for one of the alternatives, let alone multiple alternatives, by the July deadline

He cautioned the group against starting with a preconceived notion about the urgency or need of a water pipeline. He also cautioned against using outdated data and projections in any CBA, and added that securing financing in the current economic climate would be unlikely.

Mr. Adrian Miller commented on the numerous suggestions and alternatives currently on the table, adding that the committee's incremental approach is to be applauded. He made the final point that the County can't spend money we don't have.

Mr. Erick Gomez stated that he owns International Energy Group, a company that is hired by private utility companies to conduct a CBA when they are considering a multi-use project. Mr. Gomez offered his services to the County and the committee *pro bono* to help with the CBA. He encouraged the committee to use projections based on actual usage, not population growth.

**ADJOURN**

There being no further business, Ms. Wright adjourned the Citizen Water Committee meeting of April 15<sup>th</sup>, 2010 at 9:34 p.m.

Minutes recorded by Vicki Karabinus.

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Approved by Committee Consent on April 29<sup>th</sup>

Approved