

**FLUVANNA COUNTY CITIZEN WATER COMMITTEE
MEETING MINUTES**

May 13, 2010

MEMBERS PRESENT:

Joe Chesser, Rivanna District Supervisor
Shelly Wright, Interim County Administrator
John Robins, Public Works Director
Vicki Karabinus, Economic Development Coordinator
Darren Coffey, Planning Director
Elizabeth Fortune, Planning Commission Representative
Alan Batson, Chairman FUSD Advisory Board
Richard Schwarz LMOA
Scott Marshall, Economic Development Authority
Gary Peterson, Chamber of Commerce
Elizabeth Franklin, Chair of Fluvanna Taxpayers Association
Dennis Holder, Fluvanna Friends of Rural Preservation
George Fitzhugh, Economic Development Commission

ALSO PRESENT:

Keith Smith
Garland Nuckols
Neil Phillips
Erick Gomez
Bill Hughes
Jacques Ruch
Chad Brown
Marvin Moss
Debra Kurre
Mozell Booker, Fork Union District Supervisor

CALL TO ORDER & WELCOME

Ms. Shelly Wright, Interim County Administrator, called the meeting of May 13th, 2010 to order at 7:01p.m. in the Historic Courthouse of Fluvanna County in Palmyra, Virginia. Ms. Wright welcomed the attendees and public.

REVIEW AND ENDORSEMENT OF MINUTES

Ms. Wright asked if there were any changes to the April 29th minutes other than the ones submitted by Ms. Franklin previously. Mr. Coffey confirmed that change had been made.

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

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

PUBLIC COMMENT

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

Neil Smith asked about the outcome of the Economic Development survey or if it was posted just for information. Ms. Karabinus confirmed that it was just for information.

MEETING FORMAT AND MEMBER ATTENDANCE

Mr. Chesser emphasized the importance of attendance and consistent participation by all committee members. He suggested that public comment be reserved for the end of the meeting moving forward. The committee did not agree that two comment periods was an issue and there was consent to keep the two comment periods.

Mr. Chesser also expressed concern over the Fluvanna Taxpayer Association (FTA) presentations on the 12 alternatives. He felt that they were prematurely presented because they had not been endorsed by the Water Committee, just introduced at one meeting.

Mr. Batson encouraged streamlining the alternatives to make it more efficient to analyze in more detail.

Mr. Chesser suggested that information presented to citizen groups such as LMOA, FTA, and others needs to be agreed on by the committee prior to dissemination.

Ms. Franklin stated that the FTA information was intended to be presented as information on where the Water Committee was on the alternatives at that time, which she viewed as her function for that group.

REVISITING THE OBJECTIVES

Mr. Chesser raised the issues of ground water protection and economic development to be considered in the committee's objectives.

Mr. Holder said that he deferred to the Board's desire on the groundwater issue, but did not see economic development as necessary due to the expressed objective of serving the community planning areas with water.

Ms. Wright asked the committee if economic development should be an objective as part of this process.

Mr. Batson referenced the comp plan and how it addresses economic development. It isn't the committee's job to justify economic development. He would include it as an objective.

Mr. Holder sees it as counting in every alternate, so he inquired what the value would be of including it and does not see the benefit of doing so.

Ms. Franklin stated that she saw the benefit in the abstract, but not at the expense of the taxpayer. She suggested amending the objective by constraining it fiscally by excluding any taxpayer funding.

The consensus of the committee was to include economic development as an objective without Ms. Franklin's suggested amendment. The objective would be to "Support economic development by ensuring water availability to the community planning areas, primarily Zion Crossroads."

Mr. Coffey stated the objectives that have been approved and suggested by the committee are consistent with the goals and strategies in the comprehensive plan.

Ms. Franklin pointed out that the comprehensive plan isn't fiscally constrained, it is a vision and a guide. The costs of implementation should be heavily considered.

Ms. Wright inquired if groundwater protection, as suggested by Mr. Chesser, should be added as an objective. The objective would be to "Minimize the reliance on groundwater as a primary source for large volume water systems."

The committee agreed to this objective, and that their final report will address the need for further study on the recharging of groundwater from wastewater discharge. This objective also ties in well with the water supply plan which can be used to further emphasize the importance of groundwater protection.

MATRIX FOR COMPARING ALTERNATIVES

Mr. Chesser stated that the objectives need to be listed for the analysis, but the committee also needs to think creatively about other variations of providing water such as a different partnership agreement with Louisa whether with the authority (JRWA) or not. Louisa could perhaps also solely provide water for public or private distribution. He encouraged these types of ideas for further committee discussion.

The committee then discussed various alternative arrangements including the raw water line option (Alternative 8) in conjunction with a community development authority for the Zion Crossroads area (for the treatment plant and retail lines). Discussion also involved the possibility of an equal partnership with Louisa on the raw water line, but with Fluvanna paying back a significant portion of their share with future revenues from the CDA (via sales, ad valorem, and/or other taxes within that defined area). In such a scenario, Louisa would have to front more than 50 percent of the initial costs.

Ms. Wright asked the committee to focus on the issue of the provision of water, then decide how to provide it and how to fund it. This method could reduce the number of options to evaluate. She suggested that the committee identify the areas of consensus, and then focus on the areas that need to be fleshed out. She encouraged the committee to streamline the number of alternatives to be considered in full by the committee.

After further discussion on this course of action, and general consensus to move forward accordingly, the committee reviewed the 13 alternatives that had been previously presented.

The committee agreed (via consensus) that Alternatives 1-3 are partial solutions that are not alternatives, but could be discussed as phases in a larger, more comprehensive alternative.

Alternative 4 is the "Fork Union First" option which, the committee agreed, is a variation on the "County is Broke" option.

Alternative 5, the "County is Broke" option will be considered with the variation on the theme of the "Let Louisa Do it" and "Modified Louisa Do It" alternatives (Alternatives 6 & 7 respectively). The committee agreed to analyze this option.

Alternative 8, the "Free Enterprise Plan" is the raw line to the Zion CPA. The treatment would be up to the private sector or other parties to determine. The committee agreed to analyze this option.

Alternative 9 is the comprehensive plan alignment with treatment at Pleasant Grove. The committee agreed that this option needs to be analyzed and compared to the others. This plan could be varied to account for a Central Plains component.

Alternative 10 is the Rt. 15 option. The committee agreed to set this option aside.

Alternative 11 is the AquaVirginia proposal that addresses Zion, Palmyra, and Fork Union. The committee decided to analyze this plan. It includes the components of alternatives 1-3 and could be phased or adopted in a number of variations.

Alternative 12 is a raw water line up Rt. 15 to Rt. 250. This would be another variation on the "County is Broke" option (Alternative 5).

Alternative 13 is the Mechunk Reservoir alternative. The committee agreed that this is a potentially important component of a future water system, but that it is not an alternative to be analyzed.

Ms. Franklin ~~argued per her email~~ argued to keep the "Fork Union First," "Let Louisa Do It" and "Modified Let Louisa Do It" options.

Mr. Holder reiterated that the “Fork Union First” and “Let Louisa Do it Plans” were not intended to be phased, but stand alone plans.

REVIEW OF PRESENTATION TO THE BOARD OF SUPERVISORS

Mr. Robins handed out the proposed presentation to the Board of Supervisors for the committee’s information and asked for feedback via email.

Mr. Holder requested more effective and faster information transfer, particularly regarding the upcoming analysis of alternatives.

Mr. Chesser instructed Mr. Holder to make an appointment, or series of appointments, with Mr. Robins and others in order to set aside adequate quality time to perform the alternatives analysis. He stated that email and phone calls would not be sufficient.

DISCUSSION OF THE ANALYSIS TABLE

The Financial Model table is posted on the Citizen’s Water Committee section of the county’s website.

OTHER BUSINESS

There was no other business presented.

PUBLIC COMMENT

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

Mr. Brown addressed the committee regarding economic development and its impact on taxpayers. He emphasized the difference between good debt and bad debt, and encouraged the community’s prosperity through economic development. The model cost analysis indicates that a partnership is a major revenue source for the project. Sales tax revenue and incremental real estate tax revenue should be accounted for somehow in the analysis model.

Mr. Phillips, United Water, commented that the model should set the full cost of service rate to determine if its reasonable for the customers to finance the whole system. This would reduce or eliminate the taxpayer burden. He also encouraged the examination of the costs paid to date by the county that could be reimbursed through a water system’s rate structure. He also suggested a design-build process moving forward to save costs on system development. Finally, he strongly recommended that a committee member(s) attend “The Future of Water Partnerships in Virginia” forum on June 9th in Richmond to learn more about public – private partnerships, including the financing and managing of such partnerships.

Mr. Hughes expressed his pleasure that the committee has agreed on, and moved past, the objectives discussion. He applauded the Board leadership on the committee and staff input, as well as that of a broader citizen base. He also expressed concern over the funding of the Fork Union component, and emphasized the importance of how to most effectively and equitably pay for it.

Ms. Kurre commended the committee for its work and the process. She stated that water is critical to economic development and that the county has lost actual businesses due to the lack of water in areas of the county. She strongly encouraged a cost be assigned to this loss of business and factor that in to the evaluation. She cautioned against the ”County is Broke” approach due to its long term cost and impact to the county. She asked why Fluvanna would want to defer to whatever Louisa may or may not choose to do.

ADJOURN

There being no further business, Ms. Wright adjourned the Citizen Water Committee meeting of May 13th, 2010 at 9:53 p.m.

Minutes recorded by Darren Coffey.

Approved by Committee Consent on June 3rd

Approved