

**JAMES RIVER WATER AUTHORITY
BOARD OF DIRECTORS
FLUVANNA COUNTY OFFICE BUILDING
MAY 21, 2009
2:00 P. M.**

Present: Goodman B. Duke, John Y. Gooch, G. Cabell Lawton, IV, Dale G. Mullen, Thomas E. Payne and John E. Thomasson

Others Present: Kurt Krueger, Interim Counsel and Alyson Simpson, Deputy Clerk, Louisa County Administration

CALL TO ORDER

Chairman Payne called the May 21, 2009 regular meeting of the James River Water Authority Board of Directors to order at 2:00 p.m., which was followed by the Pledge of Allegiance.

DISCUSSION - JAMES RIVER WATER AUTHORITY BOARD OF DIRECTORS BYLAWS

Mr. Payne said the Board had a new draft copy of the bylaws. Mr. Lawton said the new draft had been reviewed by interim counsel and recommendations had been made. Mr. Lawton said he was going to go through the bylaws point by point or article by article. Mr. Lawton said there was still discussion about terms and officers. Mr. Payne said he recommended a point by point review and then the Board could approve the bylaws at the next meeting which would give everyone a two-week time period. Mr. Mullen said there were a few points that Mr. Kurt Krueger, interim counsel, wanted to touch on specifically.

Mr. Krueger directed the attention of the Board to Article 3.1 and said he had drafted the bylaws to reflect bi-monthly meetings. Mr. Krueger said the bylaws could be changed to monthly meetings and the Board could decide, by resolution, to have bi-monthly meetings in the interim because if the need to handle more business in the first couple of months. Mr. Krueger said the question would be whether the regular meetings would be set as the first Thursday or each month or as the third Thursday of each month.

Mr. Payne said he thought the Board was looking at the first Thursday as the regular monthly meeting and that was what he recommended.

Mr. Krueger said he did keep the concept of having alternating meeting locations in Louisa and Fluvanna.

Mr. Krueger directed the attention of the Board to Article 3.7 and said he had proposed an order of business for the agendas. Mr. Krueger said the proposed order of business was sufficient to cover all items necessary at each meeting because he provided a "catch all" item titled "Other Business." Mr. Krueger said the Board could decide whether or not to do items on a Consent Agenda, but the Consent Agenda could be used for approval of routine items. Mr. Krueger said the Board normally offered a section on the agenda that allowed for the public to speak and there were to trains of thought behind where to place that item on the agenda. Mr. Krueger said there are some governing bodies that chose to allow the public to speak at the end of the meeting, but he thought it was a better idea to allow the public to speak at the beginning of the meeting. Mr. Krueger said that option would allow the Board to hear from the public before voting or taking action on any item.

Mr. Krueger directed the attention of the Board to Article 5.2 for Terms of Office. Mr. Krueger said under Virginia Law, the way the Authority was set up was that the Board of Supervisors of constituent districts would elect the Directors, but the Directors had to elect the Officers. Mr. Krueger said the Officers did not have a lot of authority or power. Mr. Krueger said the Chairman would chair the meetings, but would not have much authority beyond that. Mr. Krueger said the day-to-day operations of the Authority would be run by an Executive Director once that person was necessary.

Mr. Krueger said the question was what the terms of office should be. Mr. Krueger said they could be one year, two years or they could be matched to the terms of the Directors. Mr. Krueger said the problem with that was the term as Director could drive the term as an Officer. Mr. Krueger said he suggested two year terms and said that a Director could not be an Officer after they were off the Board.

Mr. Lawton said Article 5.2 read that the election of Officers should take place on the third Thursday meeting of June and he felt that should be changed to the first Thursday meeting of June.

Mr. Krueger directed the attention of the Board to Articles 8.1 and 8.3 and said there would ultimately be a need for someone to direct the day-to-day operations of the Authority at some point. Mr. Krueger said he included a permissive item to allow the Board to select and hire an Executive Director and an Assistant Executive Director.

Mr. Krueger directed the attention of the Board to Article 10.1 which discussed the fiscal year. Mr. Krueger said it would be a good idea to have the fiscal year of the Board the same as the fiscal year of the localities, which would be July 1 to June 30.

Mr. Krueger directed the attention of the Board to Article 12.2 which addressed meeting minutes. Mr. Krueger said the bylaws required that minutes of each meeting be kept, but they also required that the names of any members voting for a resolution be recorded. Mr. Krueger said he suggested wording that Article to read "minutes shall be kept for each Board meeting and the votes for or against any resolution, authorization or policy shall be recorded." Mr. Krueger said by rewording that Article, it would not require that a roll call vote be done for everything.

Mr. Krueger directed the attention of the Board to Article 14.1 which dealt with amendments of bylaws. Mr. Krueger said the draft currently stated that bylaws could be amended by having a majority of a quorum present if notification was provided or by having all members present. Mr. Krueger said that could be changed to a tougher requirement by saying that a majority of all Directors had to be present.

Mr. Gooch said he thought that requirement should be a majority of Directors present before bylaws could be amended. The Board agreed that it should be a majority of Directors present.

Mr. Duke asked about Article 5.2 where it said Officers should be elected on each even-numbered year and asked if that meant the Board had to wait until next year. Mr. Krueger said that Article could be changed to odd-numbered years and could end in 2011. Mr. Krueger said one year elections of Officer could be done now and then an election could take place again in 2010 to elect the Officers for two years.

Mr. Mullen noted that the resolutions adopted at the May 7, 2009 meeting appointed Officers to one-year terms. Mr. Mullen said if that Article was changed to read odd-numbered years, then new resolutions would need to be adopted. The Board decided to leave Article 5.2 as is with the terms being appointed in the even-numbered years.

Mr. Payne said Article 2.1 said members would be appointed for a four-year term and could be reappointed. Mr. Payne said he pulled the Fluvanna County resolution and it said the term of a citizen appointee should not exceed four years. Mr. Gooch said the term could not be set up for more than four years, but that did not mean they could not be reappointed. Mr. Gooch said the Fluvanna resolution limited the term to four years, but that did not mean the appointee could not serve another four-year term.

Mr. Payne said all the members should review the bylaws thoroughly and it could be placed on the next agenda for approval.

Mr. Mullen asked if the Board could go over the specific recommendations that Mr. Krueger made so an amended copy could be created.

Mr. Payne said Article 5.2 should read "first Thursday" instead of "third Thursday." Mr. Mullen said Article 3.1 should also read "first Thursday" instead of "third Thursday." Mr. Payne said Article 14.1 should be for the majority of Directors to be present in order for bylaw amendments to take place. Mr. Gooch said he would also like Article 12.2 to be changed so that a roll call vote did not have to be done for every vote. Mr. Mullen said he felt it was probably better to have the public speak at the beginning of the meeting.

Mr. Payne thanked Mr. Krueger and asked him to make the changes that were mentioned and have the new document ready to be approved at the next meeting.

DISCUSSION - MINUTES OF THE JRWA

Mr. Payne said the minutes of the last meeting were distributed in the packet at the beginning of this meeting.

Mr. Mullen said it was the goal to have the minutes provided to the Board ahead of time so the Board would have time to look over the minutes and decide whether or not the minutes would be approved or if they would be amended before being approved. Mr. Mullen said the minutes and resolutions would have to be kept on file in the Fluvanna County Office Building once the Chairman had signed them. Mr. Mullen said the minutes and resolutions would be prepared and brought to each meeting to be retained at the Fluvanna Office.

Mr. Gooch said he noticed a typographical error. Mr. Gooch recommended holding off on approving the minutes since the Board had just received them.

Mr. Payne said they could be approved at the next meeting.

APPROVAL AND SIGNATURE OF PRIOR JRWA RESOLUTIONS

Mr. Mullen presented the resolutions to Mr. Payne for him to sign.

Mr. Payne said he would approve and sign the resolutions at the next meeting.

DISCUSSION - REQUEST FOR PROPOSALS (RFP), LEGAL SERVICES

Mr. Lawton said the RFP had been advertised and he extended the response by one week for a deadline of May 28, 2009. Mr. Lawton said he intended on providing the responses to the other Board members. Mr. Lawton said he had sent out about 6 or 8 bid packages and he expected multiple responses. Mr. Lawton said he anticipated beginning the review of the submittals at the next meeting so a determination could be made as to which candidates would be interviewed.

DISCUSSION - TIMMONS GROUP CONTRACT, ASSIGNMENT

Mr. Krueger said his first recommendation was to form a procurement policy for the Authority which would authorize the Authority to do procurements by assignment. Mr. Krueger said his second recommendation was to create an assignment document between Timmons Group, the Authority and Fluvanna County. Mr. Krueger explained that the assignment document would allow for Fluvanna County to assign to the Authority and the Authority to agree to accept the assignment and for Timmons Group to consent and agree to perform for the Authority. Mr. Krueger said that part of the procurement policy would be to designate a Contracting Officer, which would likely be the Chairman at this point, but would normally be the Executive Director. Mr. Krueger said those documents could be prepared and presented to the Board before the next regular meeting.

Mr. Mullen motioned to have interim legal counsel prepare a procurement policy and an assignment document for the James River Water Authority as well as provide documentation to appoint the Chairman as the Contracting Officer. Mr. Gooch seconded the motion.

On the motion of Mr. Mullen, seconded by Mr. Gooch, which carried by a vote of 6-0, the Board voted to have interim legal counsel prepare a procurement policy and an assignment document for the James River Water Authority as well as provide documentation to appoint the Chairman as the Contracting Officer.

DISCUSSION - EASEMENT AGREEMENT - DOMINION VIRGINIA POWER

Mr. Joe Hines said Timmons had hired a consultant who was a retired Dominion employee throughout the initial stage of the study so he could have negotiations and set up meetings to talk to Dominion about

the use of their intake structure. Mr. Hines said the consultant had currently submitted a draft agreement and he would like to get the agreement in place as soon as possible.

Mr. Gooch asked if this was a reassignment of what Fluvanna County currently had with Dominion.

Mr. Hines said there had been discussion of a memorandum of understanding and Timmons was in the process of getting that signed. Mr. Hines said the consultant felt that Dominion was willing to sign a memo of understanding, but the consultant suggested moving ahead with the assignment. Mr. Hines said it would be important to get the document in front of Dominion and have it approved as soon as possible.

Mr. Lawton asked if there was a document that needed to be considered for approval at the current time. Mr. Hines said there was a draft document that could be reviewed before being sent to Dominion.

Mr. Duke said he did not know what the Dominion Power Easement Agreement was. Mr. Hines said it was determined that it would be time and cost efficient to use the existing intake structure that Dominion already had in place at their Bremo station. Mr. Hines said the intake structure was a structure that was on the James River that allowed water to come in. Mr. Hines said Dominion caught some of the water to be used as cooling water. Mr. Hines said there was a long permitting process and a high cost to getting a new intake structure and there was room on Dominion's intake structure for a pipe to be placed to meet the current permit requirements. Mr. Hines said there would not be a reason to place another intake structure in the James River if Dominion's current structure was utilized. Mr. Hines said the existing intake structure could be modified relatively easily to meet the requirements of the existing permit.

Mr. Mullen motioned to have interim legal counsel work with Mr. Hines to develop a draft document to be sent to Dominion Virginia Power in terms of an easement agreement and have the document ready prior to the next Board meeting so the Board could review and possibly vote on the document before it was sent to Dominion.

Mr. Krueger explained that Dominion was an existing client of McGuire Woods and he would have to obtain a waiver of the conflict before reviewing the easement form. Mr. Mullen accepted the disclosure from Mr. Krueger and asked that the motion reflect that.

Mr. Gooch seconded the motion.

On the motion of Mr. Mullen, seconded by Mr. Gooch, which carried by a vote of 6-0, the Board voted to have interim legal counsel work with Mr. Hines to develop a draft document to be sent to Dominion Virginia Power in terms of an easement agreement and have the document ready prior to the next Board meeting so the Board could review and possibly vote on the document before it was sent to Dominion.

NEXT STEPS - TIMMONS GROUP

Mr. Hines said Timmons Group had put a lot of hard work into this project and they were finally starting to see some fruits of their labor.

Mr. Hines said when the project first started, there was a sense of urgency from both localities. Mr. Hines said Timmons Group interviewed in September 2006 and was hired under contract in February 2007 and the process has taken longer than originally anticipated to get to the current point.

Mr. Hines said Timmons Group was going to take a “dual track approach” towards the implementation of the system- technical and non-technical. Mr. Hines said the non-technical portion required meeting with “key players” in the process, such as VDOT to work out the right-of-way issue. Mr. Hines said another non-technical item was to work out the funding issue and work with other partners such as Dominion Virginia Power

Mr. Hines said other steps would be technical steps as in the design approach. Mr. Hines said one of the first items would be to get the survey data developed. Mr. Hines said there were also preliminary engineering designs that could be done. Mr. Hines and Mr. Jim Christian, also with Timmons Group, explained some of the technical portions of the plant as far as analytical items and procedural things that would have to be handled before the jobs could go out to bid.

Mr. Gooch asked about the location of the treatment plant. Mr. Gooch said last he heard was the plant would be located in Pleasant Grove. Mr. Lawton said he felt the whole property should be considered and not just the east side or the west side.

Mr. Hines and Mr. Christian discussed security systems for the plant and other technical specifics.

Mr. Payne asked about the possible reservoir. Mr. Lawton said there was potential for a reservoir in Pleasant Grove and other properties had been looked at as well.

Mr. Payne asked how much of the VDOT right-of-way would be utilized. Mr. Hines said it was a significant amount.

Mr. Hines said he knew there was a reissuance of assignment in process and Timmons Group would be willing to work with the Authority. Mr. Hines said that once the issue was cleared, a formal proposal would be put together on how the project would move forward. Mr. Hines said a monthly report would also be submitted showing the project status, the next steps and the end completion date. Mr. Hines said he wanted the Board to be aware of what was taking place with the project on a regular basis.

Mr. Gooch said he heard it would initially take three to five years to get water to Zion Crossroads. Mr. Gooch asked if not having to go through one of the processes would shave a year off the project. Mr. Christian said it would take quite a bit of time off the project. Mr. Christian said there were items that needed to be started and he had begun to break down the project to determine how it would be designed, bid on and built. Mr. Christian said this project was going to be a “mini stimulus package” for the local area because he was trying to break the project down into smaller packages and scopes of work so that local contractors could bid on the work. Mr. Christian said he was looking at dividing the project into four areas so he could have concurrent construction taking place in different sections.

Mr. Christian said he was working on a schedule for the project and he would like to have a rough draft available for the Board at the next meeting. Mr. Christian said the project would take, in general, about three years.

Mr. Lawton said Aqua Virginia still wanted to make a proposal to the Board in terms of how they may be able to participate. Mr. Lawton said he would like to give them an opportunity because they had been waiting around for this project to occur. Mr. Lawton said he would encourage the Board to place Aqua America on the agenda as soon as he had information from them to hand out.

Mr. Fred Pribble, with Timmons Group, asked for permission from the Board so he could set up a meeting with Rural Development to talk about potential funding. Mr. Pribble said he would not be committing to anything and the meeting would be for informational purposes only.

Mr. Gooch asked if the Board had authority to do that. Mr. Lawton asked Mr. Krueger if he should do that on behalf of Fluvanna County. Mr. Krueger said it should be done on behalf of the County. Mr. Lawton said he could meet with Mr. Pribble later.

Mr. Payne said he had a letter from Aqua Virginia that he was going to hand out and asked that they be placed on the next agenda. Mr. Lawton said Aqua Virginia was a subsidiary of a company called Aqua America and they run the Lake Monticello system. Mr. Lawton said Aqua America had an interest in the project from the start.

MATTERS FROM THE PUBLIC

Mr. Keith Smith said he was there on behalf of Aqua America, but he would let the letter stand on its own and ask that there be an opportunity for Aqua America to meet with the Board. Mr. Smith said he was also there as a developer and applauded the Board.

Mr. Joe Cheshire said he liked the tone of the presentation from Timmons Group, especially because they have tried to look at the project in a way that would help the local industry obtain work.

There being no further comments, Mr. Payne closed the public comment period.

CLOSED SESSION

Mr. Lawton motioned to go into Closed Session for consultation with legal counsel to discuss litigation pursuant to Virginia Code §2.2-3711.A7. Mr. Gooch seconded the motion.

On the motion of Mr. Lawton, seconded by Mr. Gooch, which carried by a vote of 6-0, the Board voted to go into Closed Session for consultation with legal counsel to discuss litigation pursuant to Virginia Code §2.2-3711.A7.

CERTIFICATION OF CLOSED SESSION

Mr. Lawton motioned to present the following resolution for approval for certification of Closed Session:

WHEREAS the James River Water Authority has convened a Closed Meeting on this date pursuant to an affirmative recorded vote pursuant to the provisions of the Virginia Freedom of Information Act; and

WHEREAS Virginia Code §2.2-3712-D requires a certification by the James River Water Authority that such Closed Meeting was conducted in conformity with Virginia Law.

NOW, THEREFORE BE IT RESOLVED THAT the James River Water Authority hereby certifies that, to the best of each members knowledge, only public business matters lawfully exempted from the open meeting required by Virginia Law were discussed to which this certification applies and only such public business matters were identified in the motion convening the Closed Meeting were heard, discussed or considered by the James River Water Authority.

Mr. Gooch seconded the motion.

Mr. Payne requested a roll call vote on Mr. Lawton's motion.

<u>NAME</u>	<u>VOTE</u>
Goodman B. Duke	Yes
John Y. Gooch	Yes
G. Cabell Lawton, IV	Yes
Dale G. Mullen	Yes
Thomas E. Payne	Yes
John E. Thomasson	Yes

On the motion of Mr. Lawton, seconded by Mr. Gooch, which carried by a vote of 6-0, the Board voted to certify Closed Session and return to regular session at 3:25 p.m.

ADJOURNMENT

On the motion of Mr. Gooch, seconded by Mr. Duke, which carried by a vote of 6-0, the Authority voted to adjourn the May 21, 2009 meeting at 3:26 p.m.

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BY ORDER OF

THOMAS E. PAYNE, CHAIRMAN
BOARD OF DIRECTORS
JAMES RIVER WATER AUTHORITY