WESTERN VIRGINIA WATER AUTHORITY
MINUTES OF BOARD MEETING
July 18, 2019

The Board of the Western Virginia Water Authority (WWWA) met on Thursday, July 18, 2019, at the Cabin at Carvins Cove, 9590 Reservoir Road, Roanoke, Virginia. Board Chair Randall Hancock called the meeting to order at 2:57 p.m.

ROLL CALL:

PRESENT: Board Members Randall Hancock, John Bradshaw, Harvey Brookins, Bob Cowell, Don Davis, Shirley Holland, Dan O'Donnell, and Hunter Young

ABSENT: None

OTHERS PRESENT: Gary Robertson, Executive Director, Water Operations; Mike McEvoy, Executive Director, Wastewater Services; Gayle Shrewsbury, Secretary; Harwell M. (Sam) Darby, Jr., Counsel for the Authority; and Tammy Lawfield, Assistant Director of Finance.

Other guests were: Roger Blankenship, Director Water Operations; Scott Shirley, Director Wastewater Operations; Leana Stoltz, Director Customer Service/Information Technology; Trent Cox, Director Field Operations; Will Bulloss, Chief Engineer-Design and Construction; and Neil Norris, Assistant Director of Risk Management and Human Resources.

APPROVAL OF MINUTES: Mr. Brookins requested that the minutes include a comment by Executive Director of Roanoke Regional Partnership (RRP), Beth Doughty, regarding the Authority staff and the great partnership RRP and the Authority have. Mr. Davis moved approval of the June 20, 2019 Board Meeting Minutes with the requested change. Ms. Holland seconded the motion. The minutes of the June 20, 2019 Board Meeting were approved by voice vote.

COMMUNICATION FROM EXECUTIVE DIRECTORS: Mr. Robertson gave a summary of the June 2019 Executive Directors’ report. The summary included the Water System, Wastewater System, Administration and Regional Efforts/Contract Operations. The Administration section includes billing, engineering, human resources and miscellaneous financial information. A copy of this report in its entirety is filed with the approved minutes.

For the month of June reservoir levels at both Carvins Cove and Spring Hollow remained above average for the time of year.
Staff at the Smith Mountain Lake Water Treatment Facility (SMLWTF) produced a total of 51.98 MG of treated water during the month of June. The average daily production rate for the period was 1.73 million gallons per day.

Mountain Valley Pipeline construction started working in the water shed but not at the river crossing. Staff continues to monitor the turbidity of the raw water prior to pumping from the Roanoke River into Spring Hollow Reservoir. To date, no changes have been observed.

The total number of water main breaks for the month was 25 which is nine less than the number of breaks in June 2018. The majority of main breaks (9) were on 2-inch lines.

Construction continued on the Muse Spring Water Treatment Facility. The contractor installed the two treatment skids which are essentially the framework for the membrane filtration system

Construction continued on the Carvins Cove filter rehabilitation project. The contractor nearly completed phase 1 of the project. Three of the six filters have been rehabilitated and are now in service.

The existing pressure tank at Frederick Acres water system in Franklin County was cleaned and painted, and the installation of a new 10,000 gallon storage tank is underway. This tank was repurposed from the Twin Cove water system.

Staff continued to work closely with Carilion and Whitman Requardt & Associates, LLP on design documents for relocating the Crystal Spring Pump Station.

Efforts continued to formalize an operation agreement with the Stripers Landing and Bluewater Bay associations to allow for operation of the two systems during transfer of ownership.

Staff evaluated the Roanoke area water system in June for Unaccounted for Non-Revenue Water (NRW) and found the following:

<table>
<thead>
<tr>
<th></th>
<th>June 2019</th>
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<tbody>
<tr>
<td>Water Produced</td>
<td>543.199 Million Gallons</td>
</tr>
<tr>
<td>Metered Water</td>
<td>421.006 Million Gallons</td>
</tr>
<tr>
<td>Accounted for Non-Revenue Water*</td>
<td>6.732 Million Gallons</td>
</tr>
<tr>
<td>Net Unaccounted for</td>
<td>115.461 Million Gallons</td>
</tr>
<tr>
<td>Non-Revenue Water</td>
<td>21% Percent</td>
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</tbody>
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* Accounted for Non-Revenue Water includes Water Main Breaks, Fire Department Flow-Tests, Actual Fires, and Water Authority Scheduled Flushing

During June, the NRW team focused primarily on three District Metered Areas (DMA’s). The findings are detailed below.

A new DMA157 Berkley was completed and ready for monthly analysis moving forward. This should improve analysis for DMA102 Statesman.
DMA73 Cloverdale South was investigated due to a loss of 43.87% for the month of May. It was discovered that the main customer of that zone, Dynax, had a meter that had stopped working. Their normal usage for the month is approximately 4,000,000 gallons and in May their meter dropped to using approx. 2,000,000. The meter was replaced. It was also discovered that Read Mountain Rescue Squad has been using an unmetered hydrant. Staff met with the rescue squad and installed a hydrant meter to quantify usage at this location.

DMA153 Garden City, a newer zone, was investigated due to a loss of 42.46 percent. A leak was found on a 10-inch valve that was scheduled for repair.

Wastewater System

After a break in May, flows for June at the Water Pollution Control (WPC) Plant were back above average at 41.5 mgd. Total flow treated at the WPC Plant for FY 19 exceeded 16.5 billion gallons, a 44% increase over the previous fiscal year. No wet weather plant overflows were recorded for the month; however, 26 wet weather collection overflows did occur associated with rains June 7 and 8. This storm exceeded a 2-year event. Field Operations reported four dry weather overflows and responded to 73 customer calls for assistance. While wet, the Authority’s biosolids contractor still managed to apply 889 dry tons of material on area farms. During June, 290 loads of septage were discharged to the plant. For FY 19, the plant accepted 4,624 loads of septage and industrial wastes.

The Electrical Project at the WPC is proceeding. A bid for equipment with long lead times associated with the Authority’s portion of the project is expected to be issued at the end of July. AEP provided a plat to staff for review of the area they will need for the substation being constructed. This will likely be an agenda topic for the September Board meeting.

The Authority received a notice of claim on behalf of the residents at 3022 Bancroft regarding the slope failure this past January. The claim has been forwarded to the Authority’s insurance company for evaluation.

Administration

CDM Smith was selected by staff to complete a review of the Authority’s GIS and Asset Management systems.

The Authority joined the National Safety Council and thousands of organizations nationwide in celebrating National Safety Month in June. Events were held at the WPC Plant and Field Operations for employees to learn safe practices, take a safety pledge, enjoy a picnic and participate in a corn hole tournament.

Billed water consumption for June was 454 million gallons, above average for June months. For FY 19, total unaudited water sales were 5.13 billion gallons. Retail sales for June exceeded $5.1M with total revenues exceeding $5.6M. Unaudited results indicate both funds will end with positive net incomes.
Call statistics for Billing and Customer Service were similar to previous months with answer rates of 93% and average wait times of 1 minute and 1 second. Service disconnections for non-payment in June were 233. For FY 19, average monthly service terminations were 317, the lowest in the last ten years.

Regional Efforts / Outreach

The Board is aware that in December 2017, the Authority launched a new utility assistance program, Authority Cares, to assist customers with their monthly bill. The program is funded from commissions generated from HomeServe’s sales of water, sewer and internal line protection insurance.

The average monthly commission amount from sales is $7,387.52, and an average of $3,398 is pledged to customer’s bills each month. The commissions also offset costs incurred by Central Intake and United Way staff and covers the costs for inserts in delinquent bills to promote the program. During the past fiscal year, 322 unique customers received assistance through Authority Cares. Twenty-six customers received assistance twice in the year.

A separate program, HomeServe Cares, provides funding to assist disadvantaged residents who face a service emergency but do not have a service plan through HomeServe or the funds to cover the emergency. HomeServe provides up to $10,000 per year for this program. In 2018, the Authority referred four individuals to the program who had their exterior water lines repaired. This year, a customer had her water and sewer line and her leaking water heater replaced through this program.

Engineering Services staff received correspondence from the City of Roanoke’s Transportation division on pending changes to the City’s Utility Restoration Standards. These rules govern how pavement is to be restored in City Rights-of-Way (ROW) and have a significant impact on capital construction costs. A meeting took place on July 17th that staff considers to be very successful.

Twenty-five boats were registered to fish and raise money for cancer research at the Carvins Cove Night Fishing Tournament on June 7. WPC Plant employee Donnie Wickham won first place with a 3.79 catch. Authority for a Cure chairperson, Erika Hoffman, stated that over $2000 for Relay for Life was raised during the company’s spring campaign.

Mr. Brookins inquired how many customers are turned away from the Authority Cares Program. Ms. Stoltz explained that United Way handles the program and we do not have the information. Mr. McEvoy shared that United Way uses the same criteria as other assistance programs. Mr. Brookins requested information regarding who is turned away, why they are turned away and if there is any leniency in the requirements. Ms. Stoltz shared that we can provide the data at a future meeting. Mr. Hancock questioned if the information should be presented to the board, with the reasoning that we purposefully set up the program to be handled by a third party so that the Authority is not determining who receives assistance and who does not. Mr. Brookins requested that the board have the opportunity to review the program criteria and provide input affecting the requirements.
FINANCIAL REPORT FOR THE MONTH OF JUNE 2019: Mr. McEvoy noted that year-to-date, June 2019 represented 100% of the fiscal year. A copy of this report in its entirety is attached to the approved minutes.

Operating revenues for the Water and WPC funds were 96% and 99%, respectively, of budget. Retail revenues for the Water fund were 96% and WPC fund were 97%. Non-operating revenues for Water were 130% and WPC were 128% of budget. Some of these revenues (Investment Income, Office Building Lease Income) lag a month in reporting. Operation & Maintenance expenses for the year-to-date for the Water system were 93% and WPC were 90%. The Operating Margins for Water and WPC were 101% and 112%. Combined Operating Margin was 106%. The Water system has paid 101% of budgeted interest expense and 100% of principal payments. WPC has paid 100% of interest expense and 100% of principal payments.

REPORT FROM AUTHORITY COUNSEL: Mr. Darby reported on the following:

1. Memorandum of Understanding with Carilion Clinic; and
2. Utility Relocation MOU.

REPORT FROM COMMITTEE CHAIRS: None

STRATEGIC PLAN UPDATE: Mr. Davis made a motion to table the Strategic Plan Update until the September 19, 2019 Board Meeting. Mr. Brookins seconded the motion. The Strategic Plan Update was tabled until the September 19, 2019 Board Meeting by voice vote.

Mr. Robertson pointed out that a citizen provided copies of a report on E-bikes that were given to Board Members at the beginning of the meeting. This citizen may attend a future meeting to share during citizen comments.

CLOSED SESSION: At 3:28 p.m. Mr. Brookins made a motion to go into closed session to consult with legal counsel retained by the Authority regarding personnel matters related to the transitioning of one or more staff pursuant to Section 2.2-3711.A.1 of the Code of Virginia, 1950, as amended. The motion was seconded by Mr. Davis.

The Board approved the motion by the following roll call vote:

AYES: Board Members Bradshaw, Brookins, Cowell, Davis, Holland, O'Donnell, Young, Hancock-----------------------------------------------------------------------------------------------------------------------------8.

NAYS: None-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------0.
At 4:00 p.m. on a motion by Mr. Davis, seconded by Mr. Brookins, the Authority returned to open
session.

The Board approved the motion by the following roll call vote:

AYES: Board Members Bradshaw, Brookins, Cowell, Davis, Holland, O'Donnell, Young, Hancock-----------------------------8.

NAYS: None---------------------------------------------------------------------------------------------0.

CERTIFICATION OF CLOSED MEETING: At 4:00 p.m. Mr. Bradshaw moved for a roll call vote certifying that only legally exempted matters covered by the Closed Meeting motion were taken up in the closed meeting. It was seconded by Mr. Cowell.

The Board approved the motion by the following roll call vote:

AYES: Board Members Bradshaw, Brookins, Cowell, Davis, Holland, O'Donnell, Young, Hancock-----------------------------8.

NAYS: None---------------------------------------------------------------------------------------------0.

Ms. Holland left the meeting at 4:02.

CLOSED SESSION: At 4:02 p.m. Mr. Brookins made a motion to go into closed session to discuss or consider the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the Authority pursuant to Section 2.2-3711.A.3 of the Code of Virginia, 1950 as amended. The motion was seconded by Mr. Cowell.

The Board approved the motion by the following roll call vote:

AYES: Board Members Bradshaw, Brookins, Cowell, Davis, O'Donnell, Young, Hancock------7.

NAYS: None---------------------------------------------------------------------------------------------0.

At 4:14 p.m. on a motion by Mr. Davis, seconded by Mr. Brookins, the Authority returned to open
session.

The Board approved the motion by the following roll call vote:

AYES: Board Members Bradshaw, Brookins, Cowell, Davis, O'Donnell, Young, Hancock------7.

NAYS: None---------------------------------------------------------------------------------------------0.
CERTIFICATION OF CLOSED MEETING: At 4:14 p.m. Mr. Brookins moved for a roll call vote certifying that only legally exempted matters covered by the Closed Meeting motion were taken up in the closed meeting. It was seconded by Mr. Cowell.

The Board approved the motion by the following roll call vote:

AYES: Board Members Bradshaw, Brookins, Cowell, Davis, O'Donnell, Young, Hancock----7.
NAYS: None------------------------------------------------------------------------0.

RESOLUTION NO. 383 AUTHORIZING THE SALE OF AUTHORITY PROPERTY AND SETTING THE CONSIDERATION: Mr. Davis moved approval of Resolution No. 383, and it was seconded by Mr. Brookins. Resolution No. 383 was adopted by the following roll call vote:

AYES: Board Members Bradshaw, Brookins, Cowell, Davis, O'Donnell, Young, Hancock----7.
NAYS: None------------------------------------------------------------------------0.

CITIZENS COMMENTS: None

BOARD MEMBER COMMENTS: Mr. Robertson thanked the current and past Board Members for their support.

Mr. Hancock stated that the Authority would not exist without Elmer Hodge, Darlene Burcham, Mike McEvoy and Gary Robertson. He expressed his gratitude to Mr. Robertson and told him to look at the Authority as one of his greatest achievements.

OTHER BUSINESS: None

Mr. Hancock adjourned the meeting at 4:19 p.m.
APPROVED: September 19, 2019

ATTEST:

Gayle Shrewsbury, Secretary
WVWA Board of Directors