WESTERN VIRGINIA WATER AUTHORITY
MINUTES OF BOARD MEETING
September 19, 2019

The Board of the Western Virginia Water Authority (WVWA) met on Thursday, September 19, 2019, in the Board Room at 601 S. Jefferson Street, Roanoke, Virginia. Board Chair Randall Hancock called the meeting to order at 3:00 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 ---------------------------------------- 8.

ABSENT: None---------------------------------------------------------------------------------0.

OTHERS PRESENT: Harwell M. (Sam) Darby, Jr., Counsel for the Authority; Gayle Shrewsbury, Secretary; Mike McEvoy, Executive Director; Scott Shirley, Chief Operating Officer Plant Operations; Leana Stoltz, Chief Operating Officer Customer Operations; Tammy Lawfield, Director of Finance; and Sarah Baumgardner, Director of Public Relations and Freedom of Information Act Officer.

Other guests were: Gary Robertson, Retired Executive Director Water Operations; Roger Blankenship, Deputy Chief Operating Officer Plant Operations; Trent Cox, Deputy Chief Operating Officer Customer Operations; Scott Kroll, Director Engineering Services; Neil Norris, Director Human Resources; Jennifer Meeks, Senior Accountant; Will Bulloss, Chief Engineer Design and Construction; and Brian Houston, Draper Aden Associates.

APPROVAL OF MINUTES: Mr. Davis moved approval of the July 18, 2019 Board Meeting Minutes and the September 19, 2019 Compensation Committee Meeting Minutes. Mr. Cowell seconded the motion. Hearing no discussion, the minutes of the July 18, 2019 Board Meeting Minutes and the September 19, 2019 Compensation Committee Meeting Minutes were approved by voice vote.

RESOLUTION NO. 384 HONORING THE SERVICE OF GARY ROBERTSON: Mr. Bradshaw made a motion to approve Resolution No. 384 Honoring the service of Gary Robertson as Executive Director of the Authority. Mr. Brookins seconded the motion. Resolution No. 384 was approved by the following roll call vote:

AYES: Board Members Bradshaw, Brookins, Cowell, Davis, Holland, O'Donnell, Young, Hancock -----------------------------------------------8.
COMMUNICATION FROM EXECUTIVE DIRECTOR: Mr. McEvoy gave a summary of the July and August, 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.

Congratulations to Gary Robertson on his August 30, 2019 retirement!

At the recent Joint Annual Meeting of the Virginia section of the American Water Works Association (AWWA) and the Virginia Water Environment Association (VWEA), Scott Shirley was recognized with the Sonny Roden Meritorious Service Award for outstanding service to the VWEA and the wastewater industry. The award, which is not given annually, has only been awarded ten times in the last thirty-five years. Chris Carey, Field Operations Superintendent, was recognized with the Sherry Williams Leadership Award for his work chairing the section’s Distribution Committee. Chris was also elected to the Virginia section Board of Trustees. The Virginia section also recognized the Authority with its Employer Support Award for promoting continuing education and professional development of employees.

Water System

Current mapping by the U.S. Drought Monitor indicates the majority of the service area was abnormally dry. Reservoir levels at both Carvins Cove and Spring Hollow were average for this time of year.

Substantial progress has been made on the Carvins Cove picnic shelter and amphitheater.

At Muse Spring Water Treatment Facility, the contractor has installed most of the large equipment and is working on interior piping for the pumps and filter equipment.

Construction continued on the Carvins Cove filter rehabilitation project.

Staff continued to work closely with Carilion and Whitman Requardt & Associates (WRA), LLP on design documents for relocating the Crystal Spring Pump Station. Carilion provided comments from their legal team regarding the terms of the Crystal Spring pump station relocation project and property transfer. Staff reviewed the comments and returned edits to Carilion.

An operating agreement was finalized for Stripers Landing and Bluewater Bay water systems in Franklin County. Customers have been notified that VWWA will begin operating the two systems beginning October 1, 2019.
Staff has been in communication with the owners of Staroverlake, a private water system in Franklin County. The current owners inquired about the possibility of the Authority assuming ownership of the private system. A brief presentation on the system was provided later in the meeting.

Staff has been working with representatives of the Uttermost Company, located in Franklin County, on a contract regarding their portion of the financing for the Grassy Hill Road water main extension. The $1.8M project will be funded in equal parts by Franklin County, the Authority and Uttermost. Staff had previously negotiated an agreement with Franklin County for their share of the cost. The company, which makes finished wood products, wants to increase fire protection at its facility. The extension will also bring water to several neighborhoods that have been requesting service.

As a follow-up to an email in August, testing results in July, 2019 at the Etzler Road sample site near the Botetourt Center area: Greenfield indicated the maximum contaminant level (MCL) for total trihalomethanes (TTHM) was exceeded. Trihalomethanes are a common byproduct of the water treatment process. The MCL is 80 parts per billion. The July testing resulted in a TTHM level of 91 parts per billion at the monitoring location. On August 30, 2019 a notice of violation (NOV) was mailed to approximately 1,100 customers in the Daleville area of Botetourt notifying them of the results. Since learning of the elevated TTHM level, staff has increased flushing in the area, reduced the volume of water stored in the Greerfield tank, added a mixing system inside the tank and increased monitoring of TTHMs to monthly. In addition, staff sought quotes for a spray aeration system for the Greenfield tank, and evaluated the use of granular activated carbon filtration.

Staff evaluated the Roanoke area water system in August for Unaccounted for Non-Revenue Water (NRW) and found the percentage to be down to 20%.

Wastewater System

Drier conditions have resulted in a drop in flow at the Regional WPC Plant. Average daily flows were 30.3 mgd in July and 26.4 mgd in August. No wet weather plant or collection system overflows were recorded for either month. Field Operations reported just one dry weather overflow in July and one in August. Staff responded to 48 and 63 customer calls for assistance respectively over the two month period. The Authority’s biosolids contractor applied a combined 2,610 dry tons of biosolids on area farms. The WPC Plant accepted 579 loads of septage during the two months.

Staff submitted an application to the Virginia Department of Environmental Quality (DEQ)’s Wastewater Revolving Loan Program for digester improvements at the WPC Plant. As previously discussed, this $12.7M project includes rehabilitation of select digesters and purification of the methane produced to pipeline quality. The loan process is lengthy, taking more than a year to complete. Staff expects to hear from DEQ by the end of September if the project will be considered for funding.

Field Operations is 70% complete with the Youngwood Sewer Replacement Project. Staff also completed the sewer installation portion of the Bancroft project.
Engineering Services revised its capital project reporting. Newly formatted tables for project status will be included with next month’s report.

Administration

The planned reorganization of the Authority’s primary operating divisions is underway. As a reminder, the former WPC Division and the majority of the former Water Division are being combined into a new group, Plant Operations. The remaining portion of the former Water Division is joining with Field Operations, Billing and Customer Service, into a Customer Operations Group. As part of the reorganization, a revised monthly report will be presented at the October meeting.

Congratulations to Tammy Lawfield and the Finance Team for again being awarded the Certificate of Excellence in Financial Reporting by the Government Finance Officers Association for the FY 18 audit. Staff are completing work in conjunction with the Authority’s auditors, RFC, Inc., on the FY 19 audit.

The Authority has been awarded a $5,000 grant from VRSA, the Virginia Risk Sharing Association (formerly VML Insurance) towards the purchase of a safety notification and education system. The system will broadcast safety education materials, messages, training notices, etc. to staff and will be placed in break rooms across divisions.

Regional Efforts / Outreach

The public reaction to the IRONMAN announcement has been generally positive including an opinion piece in the Roanoke Times expressing the desire to have swimming year round at Carvins Cove. While not unexpected, staff does not support this idea as it would detract from the scenic outdoor experience, facilities do not exist at the Cove to support swimming, and additional personnel would be needed. Staff also has liability and insurance concerns.

On August 29th, Scott Shirley attended the Town of Iron Gate Council meeting to discuss utility services. The Authority has approximately 25 sewer customers in Botetourt County bordering the Town. Wastewater from these customers is sent to the Town for processing under a contract that will expire next year. The options discussed include transfer of these customers to the Town or a new contract between the Authority and the Town. A third option where the Town system could be bypassed by sending flow directly to the Alleghany County / Clifton Forge wastewater treatment plant is also possible.

Staff worked with Botetourt County Schools to complete additional water testing at one of its elementary schools. The school is served by a well owned by the school system. Staff will also evaluate additional treatment for the well.

FINANCIAL REPORT FOR THE MONTHS OF JULY AND AUGUST 2019: Ms. Lawfield noted that year-to-date, August 2019 represented 17% 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 17% and 16%, respectively, of budget. Retail revenues for the Water fund were 17% and WPC fund were 16%. Non-operating revenues for Water were 18% and WPC were 17% 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 16% and WPC were 17%. The Operating Margins for Water and WPC were 18% and 14%. Combined Operating Margin was 16%. The Water system has paid 0% of budgeted interest expense and 1% of principal payments. WPC has paid 14% of interest expense and 14% of principal payments.

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

1. Agreement with The Uttermost Co.;
2. Virginia Employment Commission Appeal of a Denial of Unemployment Compensation Benefits;
3. Compensation Committee; Mike McEvoy Employment Contract;
4. Visas for Potential Authority Employees; and
5. Meeting Preparation

REPORT FROM COMMITTEE CHAIRS: Ms. Holland reported that the Compensation Committee met to discuss changes that will take place as Mike McEvoy becomes the sole Executive Director of the Authority following Gary Robertson’s retirement. The Compensation Committee reviewed compensation of other directors of similar utility authorities and determined an offer that the committee believed to reflect fair compensation for the level of work, leadership and importance the Executive Director position will require as well as the experience and knowledge that Mr. McEvoy brings to the position. The committee recommended increasing Mr. McEvoy’s base salary by 15%, which falls below average salary of those in the benchmark study that was performed, and increasing Mr. McEvoy’s deferred compensation by $2,500 per year. The committee recommended formalizing an employment agreement with Mr. McEvoy which would include a six-month severance package.

RESOLUTION NO. 385 AMENDING RESOLUTION 218 RETIREMENT BENEFITS AND COMPENSATION FOR THE AUTHORITY’S EXECUTIVE DIRECTOR: Mr. O’Donnell made a motion to approve Resolution No. 385 and Mr. Davis seconded the motion. Resolution No. 385 was approved by the following roll call vote:

AYES: Board Members Bradshaw, Brookins, Cowell, Davis, Holland, O’Donnell, Young, Hancock ____________________________________________—8.

NAYS: None___________________________________________—0.

RESOLUTION NO. 386 AUTHORIZING EMPLOYMENT CONTRACT FOR EXECUTIVE DIRECTOR: Mr. Davis made a motion to approve Resolution No. 386 and Mr. Cowell seconded the motion. Resolution No. 386 was approved by the following roll call vote:
AYES: Board Members Bradshaw, Brookins, Cowell, Davis, Holland, O'Donnell, Young, Hancock

NAYS: None

RESOLUTION NO. 387 AMENDING RESOLUTIONS NO. 33, NO. 96 AND NO. 199: Mr. Davis made a motion to approve Resolution No. 387 and Mr. Cowell seconded the motion. Resolution No. 387 was approved by the following roll call vote:

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

NAYS: None

AUTHORIZATION TO TRANSFER PROPERTY TO AEP FOR ELECTRICAL IMPROVEMENTS AT THE WPC PLANT: Mr. Shirley explained that the Authority is in phase two of a multi-phase project which is moving towards AEP constructing their portion of a substation on site at the WPC. This will include installing a power loop around the plant meant to dramatically improve power reliability. The target goal for the project is to be functional by April 15, 2020 and will require a parcel at the WPC to be conveyed to AEP. A resolution was presented later in the meeting authorizing the Authority’s Executive Director to transfer the parcel to AEP. A copy of this report in its entirety is filed with the approved minutes.

A discussion took place.

RESOLUTION NO. 388 AUTHORIZING THE CONVEYANCE OF A PARCEL OF REAL ESTATE TO AEP: Mr. Davis made a motion to approve Resolution No. 388 and Mr. Young seconded the motion. Resolution No. 388 was approved by the following roll call vote:

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

NAYS: None

AUTHORIZATION TO ACQUIRE THE STAROVERLAKE WATER SYSTEM IN FRANKLIN COUNTY: Mr. Blankenship shared that the Authority has been approached to purchase the Staroverlake Water System in Franklin County. The system currently includes 71 customers and has a potential of adding 31 more in the future. A copy of this report in its entirety is filed with the approved minutes.

A discussion took place regarding the payback time period included in the Board report.
RESOLUTION NO. 389 APPROVING THE ACQUISITION OF AN EXISTING WATER SYSTEM IN FRANKLIN COUNTY: Mr. Bradshaw made a motion to approve Resolution No. 389 and Ms. Holland seconded the motion. Resolution No. 389 was approved by the following roll call vote:

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

NAYS: None

REVIEW OF STRATEGIC PLAN ACCOMPLISHMENTS FOR FY 2019: Mr. McEvoy and Ms. Stoltz reviewed the Authority accomplishments for FY 19. Mr. McEvoy also pointed out that due to Mr. Robertson's retirement, a new Strategic Plan will be created to accommodate the management changes and will be introduced in the spring.

CITIZENS COMMENTS: None

BOARD MEMBER COMMENTS: None

OTHER BUSINESS: None

Mr. Hancock adjourned the meeting at 4:30 p.m.
APPROVED: October 17, 2019

ATTEST:

Gayle Shrewsbury
Secretary
WVWA Board of Directors