WESTERN VIRGINIA WATER AUTHORITY
MINUTES OF BOARD MEETING
November 21, 2019

The Board of the Western Virginia Water Authority (WVWA) met on Thursday, November 21, 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: 0.

Mr. Hancock declared that a quorum was present.

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: Roger Blankenship, Deputy Chief Operating Officer Plant Operations; Scott K-oll, Director Engineering Services; Neil Norris, Director Human Resources; Will Bulloss, Chief Engineer Design and Construction; Jennifer Meeks, Senior Accountant; Watts Burks, IV, Glenn Feldmann Derby & Goodlatte; Brian Houston, Draper Aden Associates; and Corbin Stone, Robinson Farmer Cox Associates.

APPROVAL OF MINUTES: Mr. Davis moved approval of the October 17, 2019 Board Meeting Minutes. Mr. Cowell seconded the motion. Hearing no discussion, the minutes of the October 17, 2019 Board Meeting were approved by voice vote.

Mr. Brookins made a motion to change the agenda by moving the Report from Committee Chairs from item #1 to item #3. Mr. O'Donnell seconded the motion. The agenda change was approved by voice vote.
REPORT FROM COMMITTEE CHAIRS: Audit Committee Chair Mr. Brookins invited Corbin Stone of Robinson Farmer Cox Associates to present the draft Audit report. Ms. Lawfield notified the Board that the Comprehensive Annual Financial Report, which was provided to them at the meeting, was in draft format and the finalized version will be available soon. Mr. Stone presented a summary of the draft Audit report.

Mr. Brookins, Audit Committee Chair, moved approval of the 2019 Audit report with recommended process changes. Mr. Cowell seconded the motion. The 2019 Audit report was approved by the following roll call vote:

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

NAYS: None

Mr. McEvoy and Mr. Brookins commended Ms. Lawfield and the Finance department for the clean audit.

COMMUNICATION FROM EXECUTIVE DIRECTOR: Mr. McEvoy gave a summary of the October Executive Director's report. The summary included the Water Quality Operations, Customer Operations, Engineering & Administration, and Regional Efforts/Outreach. The Administration section includes human resources and miscellaneous financial information. A copy of this report in its entirety is filed with the approved minutes.

Water Quality Operations

For the month of October, the Roanoke area recorded 6.33 inches of precipitation, a 3.44 inch departure from normal. Current mapping by the U.S. Drought Monitor indicates the service area is no longer in a drought condition. Reservoir levels at both Carvins Cove and Spring Hollow are average for this time of year.

Flow at the Regional WPC Plant continued to be below average even with recent precipitation events reducing the rainfall deficit. Average daily flows were just 28.81 MGD for October.

Staff at the Smith Mountain Lake Water Treatment Facility produced a total of 55.69 MG of treated water during September. The average daily production rate for the period was 1.80 million gallons per day.

Mountain Valley Pipeline construction activity at the Roanoke River crossing upstream of the raw water intake was still on hold.

Work continued at the Muse Spring Water Treatment Facility. The contractor installed the majority of the pumps, tanks, piping and the filter trains. The membrane manufacturer (SUEZ) began to install the
filter membranes and assist with testing. Once the membranes are installed, testing and troubleshooting will begin.

The Carvins Cove filter rehabilitation project was nearing completion.

Staff continued to work closely with Carilon and Whitman Requardt & Associates (WRA), LLP on design documents for relocating the Crystal Spring Pump Station. A preliminary engineering report has been completed and submitted to Virginia Department of Health (VDH) for review.

The Electrical Improvements at the Regional Water Pollution Control (WPC) Plant continue. By way of review, an underground conduit system has been installed around the WPC Plant to replace most of the current pole-mounted distribution system. Long lead time items were addressed with an earlier bid to procure a modular substation package which was awarded to Dis-Tran. Shop drawing review is ongoing and the equipment is planned for site delivery in April 2020. The closing for the sale of real property was completed following Board approval at the October meeting with assistance from Authority Counsel. Staff are close to concluding a purchase of assets from AEP.

The final phase of the Authority’s portion of the project was bid in early October. Two bid extensions occurred in the bidding process for a final submission date of October 31, 2019. Only one bid was received. The received bid included exceptions to project schedule and liquidated damages. In addition to the bid exceptions, the price offered significantly exceeded the project budget. Based on the conditions of the bid, the bid was deemed non-responsive. Staff initiated discussions with the design engineer (Wendel) and AEP staff following the bid and determined that the best option for the final phase of work would be to break the project into an equipment purchase package, a civil site work package, and potentially a third bid for installation labor.

The project to install a new septage receiving station at the WPC Plant was progressing well.

Staff completed fourth quarter sampling for total trihalomethanes (TTHMs). Eight compliance samples were collected with TTHM results that ranged from 23 to 53 parts per billion (ppb). As expected, the Daleville area results were the highest at 53 ppb. While this is well under the threshold of 80 ppb, the locational running annual average does exceed 80 ppb.

Billed water consumption for October exceeded 459 million gallons, above average for October months. Retail sales were just under $5M. Total revenues exceeded $5.3M.

Roanoke area water system Unaccounted for Non-Revenue Water (NRW) remained at 20% for October.

**Customer Operations**

Call statistics for October were the best in the past 12 months with an answer rate of 94.8% and average wait times of 46 seconds. Service disconnections for non-payment were down to 352 for the month.
With the implementation of Invoice Cloud, paperless billing increased from 7,845 (12.6%) to 11,324 (18.2%) of utility bills per month.

The annual utility debt write-off for debt older than three years as of July 1, 2019 was performed. The amount of debt written off was $160,043.08 which is 0.3% of retail sales in FY16. Late payment penalties and additional charges related to debt collection efforts in the amount of $78,791.90 was included in the write-off amount. In addition, FY 19 collection write-off amounts were $24,518 less than the amount written off in the last fiscal year.

Field Operations staff responded to 61 service calls for customer sewer concerns during October. Staff also responded to 250 customer calls for assistance with water-related issues of which water break calls were the highest volume at 65 calls for the month.

Field Operations crews completed work on the 10-inch and 12-inch sanitary sewer lines in the Valley View Mall area month. The pipes contained a large amount of tuberculation, limiting capacity. The pipes were reamed and cleaned using the Authority’s directional drill.

CIP crews began a waterline replacement project on Lester Avenue to replace approximately 575 LF of existing 2-inch galvanized pipe with 8-inch ductile iron pipe. The crews installed a total of 480 LF of the water main this month. The remaining portion of 8-inch main and renewal of 12 service lines are scheduled to be completed in November.

Customer Operations implemented a Blue Hard Hat Program in October. The purpose of the program is to maximize staff development in a condensed period of time with a focus on safety. The program relies on veteran employees guiding and mentoring those wearing blue hard hats in developing the skills and experience needed to successfully and safely grow in their positions. The blue hard hats create awareness amongst staff when there are employees with less than three months experience with the Authority on a jobsite and allows them to pay special attention to safety practices for these employees. Every employee in the program must complete a detailed checklist of tasks in order to demonstrate proper understanding and competence during the first three months of service. After successful completion of all required training tasks and signoff from their supervisors, the employees will graduate to a conventional white hardhat.

**Engineering & Administration**

Robinson, Farmer Cox (RFC) completed work on the FY 19 Audit which was reviewed with the Audit Committee and the full Board as a separate agenda item.

Work began on a revised five-year Strategic Plan. Staff expects to review the new plan with the Board at the January meeting.

The Authority received an information request from attorney’s representing the residents at 3022 Bancroft where the landslide occurred in January. The information request was quite large and was followed up with a second request in early November.
Engineering Services staff worked with Authority Counsel to develop an agreement and related documents to address the disposition of existing water system infrastructure serving the Roanoke Industrial Center on 9th Street in Southeast Roanoke. This includes delineation of infrastructure ownership and new water line easements needed to complete a water distribution loop to serve the Industrial Center.

Staff met with representatives of Insituform Technologies, LLC to discuss their failure to perform, schedule delays and contractor change orders on the Crystal Spring Avenue / Westside Boulevard Sanitary Sewer Rehabilitation Projects and the Lick Run Interceptor Rehabilitation Project. Insituform provided some previously requested information; however, staff awaits additional documentation needed to further evaluate our options to resolve the dispute.

Work continued on the Peters Creek Sewer Replacement Project but remains behind schedule. Liquidated damages continue to accrue pending Substantial Completion. Staff rejected DLB Enterprises, LLC's (contractor) request for schedule extension and waiver of liquidated damages due to insufficient justification provided.

The annual Employee Picnic was held on Saturday, October 17th celebrating another successful year.

Regional Efforts / Outreach

Staff helped organize and attend a new annual Utility Worker Honor Walk on October 26th with other local underground utilities to promote safety and awareness of employees lost during the past year.

On October 26, staff participated in the National Drug Take-Back Day. Residents turned in 2,542.8 pounds of unwanted or expired medications at 14 collection sites around the valley. Since 2010 when this program started, 37,645 pounds of medication have been collected for safe disposal at these semi-annual events.

Staff wrapped up the annual campaign to raise funds to support the community through the United Way of Roanoke Valley. Proceeds from the August golf tournament, employee pledges and raffles currently total $26,926 towards a goal of $27,500. This year, the United Way of Roanoke Valley campaign focused on identifying and assisting ALICE — members of the community who are Asset Limited, Income Constrained and Employed. In support of this initiative, the Authority ran a popular social media campaign during ALICE awareness week to focuses on how we support the United Way and our community. A photo collage of all the profiles ran on the final day of the campaign.

The Authority received the Neighborhood Arts Award at the annual City of Roanoke Neighborhood Awards Celebration. This award was for the installation of the Love SE sign that is located next to the Greenway at the Regional Water Pollution Control Plant. The Authority was also nominated in the Neighborhood Community Partnership category.
A draft contract was received from IRONMAN and Authority Counsel is reviewing. A discussion took place regarding plans for the 2020 event.

FINANCIAL REPORT FOR THE MONTH OF OCTOBER 2019: Ms. Lawfield noted that year-to-date, October 2019 represented 33% 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 33% and 31%, respectively, of budget. Retail revenues for the Water fund were 33% and WPC fund were 31%. Non-operating revenues for Water were 43% and WPC were 36% 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 33% and WPC were 33%. The Operating Margins for Water and WPC were 37% and 29%. Combined Operating Margin was 34%. The Water system has paid 51% of budgeted interest expense and 88% of principal payments. WPC has paid 52% of interest expense and 64% of principal payments.

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

1. AEP Option and Easement;
2. Claimed Lost Profits by the Audi Roanoke, an Audi dealership owned by Gary Duncan;
3. Agreement, Petition for Stripers Landing and Bluewater Bay Water Systems, Franklin County;
4. Employee Grievance and Compliance issue;
5. IRONMAN Swimming Event;
6. Agreement with Carilion Medical Center; and
7. Cellphone Leases.

AUTHORIZATION TO EXECUTE AN AGREEMENT WITH CARILION CLINIC FOR RELOCATION OF THE CRYSTAL SPRING PUMP STATION: Mr. McEvoy and Mr. Blankenship presented Resolution 391 to the Board which would authorize execution of an agreement with Carilion Clinic for relocation of the Crystal Spring pump station. A copy of this report in its entirety is attached to the approved minutes. A discussion took place. Mr. Bradshaw requested that the agreement dollar amount be included in the resolution.

Mr. Davis made a motion to approve Resolution No. 391 with amendment and Mr. Cowell seconded the motion. Resolution No. 391 was approved with amendment by the following roll call vote:

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

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

ABSTAIN: Board Member Holland----------------------------------------------------------------------------------------1.
AUTHORIZATION TO PURCHASE INFRASTRUCTURE FROM APPALACHIAN POWER (AEP):
Mr. McEvoy and Mr. Shirley presented Resolution 392 to the Board which would authorize purchase of infrastructure from AEP. A copy of this report in its entirety is attached to the approved minutes. A discussion took place. Mr. Bradshaw requested a verbiage change and the agreement dollar amount be included in the resolution.

Mr. Brookins made a motion to approve Resolution No. 392 with amendments and Mr. Cowell seconded the motion. Resolution No. 392 was approved with amendments by the following roll call vote:

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

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

DISCUSSION ON NAMING OF AUTHORITY FACILITIES: Mr. McEvoy shared that discussion has taken place among staff regarding memorializing Authority employees that have passed away. Mr. McEvoy also noted that the Authority has no policy in place regarding location naming at this time and requested feedback from the Board. A discussion took place with the agreement that instead of naming locations after individuals it would be more appropriate to use memorial plaques, or something similar.

CITIZENS COMMENTS: None

BOARD MEMBER COMMENTS: Mr. Davis commented about recently attending a Vinton Town Council meeting where the Vinton water system and rates were discussed.

OTHER BUSINESS: Mr. McEvoy reminded the Board that the next meeting would be in January and wished everyone a Merry Christmas.

Mr. Hancock adjourned the meeting at 4:40 p.m.
APPROVED: January 16, 2020

Gayle Shrewsbury
Gayle Shrewsbury, Secretary
WVWA Board of Directors