WESTERN VIRGINIA WATER AUTHORITY
MINUTES OF BOARD MEETING
January 17, 2019

The Board of the Western Virginia Water Authority (WVWA) met on Thursday, January 17, 2019, in the Board Room at 601 S. Jefferson Street, Roanoke, Virginia. Vice-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, Daniel O’Donnell and Hunter Young -------------------------------------------------- 8.

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

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 Sarah Baumgardner, Public Relations Manager and Freedom of Information Act Officer.

Other guests were: Roger Blankenship, Director Water Operations; Scott Kroll, Director Engineering Services; Neil Norris, Assistant Director Risk Management & Human Resources; Travis Lane, Senior Water Operations Manager; Ioana Kwei-Tagoe, Risk/Safety Coordinator; Gladys Genurowsky, Water Operations Analyst; Joel Bostic, Water Distribution Supervisor; Brian Cook, Water Distribution Superintendent; and Nicholas Robertson, Draper Aden.

RESOLUTION NO. 375 HONORING THOMAS GATES FOR SERVICE TO THE AUTHORITY: Mr. McEvoy noted that upon approval, Mr. Gates would be presented with the resolution after the meeting. Mr. Cowell moved approval of Resolution No. 375, and it was seconded by Mr. Davis. Resolution No. 375 was adopted by the following roll call vote:

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

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

APPROVAL OF MINUTES: Mr. Bradshaw moved approval of the November 15, 2018 Audit Committee meeting minutes, and Mr. Davis seconded the motion. Hearing no discussion, the minutes of the November 15, 2018 Audit Committee meeting were approved by voice vote.

Mr. Bradshaw informed the Board of an error found on page five of the minutes which listed the Audit Committee Chair as Mr. Bradshaw instead of Mr. Brookins. Mr. Bradshaw requested that page numbers be included on the minutes going forward. Mr. Brookins moved to approve the November 15, 2018 Board meeting minutes as amended and Mr. Cowell seconded the motion. The amended November 15, 2018 Board meeting minutes were approved by voice vote.

COMMUNICATION FROM EXECUTIVE DIRECTORS: Mr. Robertson gave a summary of the November and December 2018 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.

Water System

For the months of November and December, the Roanoke area recorded 11.02 inches of precipitation with a 3.3 inch departure from normal for December. Total annual precipitation for 2018 was a record setting 62.45 inches, a 21.20 departure from normal.

Due to continued precipitation, reservoir levels at both Carvins Cove and Spring Hollow were above average for the time of year.

Staff at the Smith Mountain Lake Water Treatment Facility (SMLWTF) produced a total of 102.91 MG during the months of November and December. The average daily production rate for the period was 1.68 million gallons per day.

Mountain Valley Pipeline construction activity at the Roanoke River crossing upstream of the raw water intake appears to be on hold. 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 number of water main breaks repaired by Field Operations during the months of November and December totaled seventy-nine. Twenty-four of the breaks were on 6-inch lines, the next highest number was twenty breaks on 2-inch mains. This represents a 20% decrease in the total number of water main breaks in comparison to a total of 99 recorded during the same time period last year.

Construction continues at the site of the Muse Spring Water Treatment Facility. The general contractor has completed the concrete work for the equalization basin and the clearwell. The contractor continues to battle wet conditions at the site and to date has been awarded a contract time extension of 24 days. The revised Substantial Completion date is now August 14, 2019.

Construction remains on schedule with the Carvins Cove filter upgrade project. The general contractor has completed demolition work in filters 5, 7 and 9 and is currently installing filter troughs and applying the filter wall coating.

In addition to working inside the filters, the Contractor has made progress with outside work required for the new air scour system. The air scour system is an upgrade from the existing surface wash system and will contribute to a more efficient backwash cycle. The addition of air scour will increase filter run times and significantly reduce the volume of water wasted during the backwash cycle. To date, two blowers, blower piping and the blower electrical building have been installed.

At the request of Roanoke City Parks and Recreation, staff are razing the bathroom located in the Bennett Springs area of Carvins Cove. In addition to the demolition work at this site, staff completed plumbing upgrades for the ADA bathroom located near the boat landing.

The CIP-4 crew completed directional drilling of approximately 100 LF of 6-inch water line across Chaparral Drive and installed a new fire hydrant at Cave Spring High School. This project was to increase fire protection for the temporary classroom trailers that will be used while the school is renovated. The crew worked in Boones Mill Industrial Park removing an existing 4-inch fire suppression system and tied into the existing 8-inch water main. This allowed for the existing fire hydrants that were previously deemed "inactive / abandoned" to now be active and functional.
Flows were 47.1 mgd for November and 62.8 mgd for December. The December flow number is the third highest monthly value recorded at the plant in the last ten years and equates to just under 1.95 billion gallons of sewage treated. Fiscal year-to-date, the WPC Plant has treated 8.5 billion gallons total. Typically the plant treats 10 to 13 billion gallons annually. Even with these high flows, no wet weather plant overflows were recorded. Staff did record 35 wet weather collection system overflows associated with rain events on November 15th, December 20th and 28th. The wet conditions resulted in a total of 958 loads of sewage being discharged to the WPC Plant during the two-month period.

The sustained high flows have resulted in equipment wear at the plant. Staff completed repairs to the influent screw pumps damaged in October and are currently repairing damage to the solids removal mechanisms for two clarifiers that malfunctioned in December.

Construction has started on Phase 1 of the WPC Plant Electrical Upgrades. This work involves installing underground electrical conduit around the plant so the facility can transition off AEP’s distribution system. Additionally, staff received an updated cost estimate for AEP’s portion of the work that constitutes Phase 2 of the project, installing a substation to connect to AEP’s high voltage transmission system.

The Authority’s biosolids land application contractor was able to apply 52 dry tons of biosolids in early November before discontinuing operations for the year. While the WPC Plant has sufficient storage to make it through the winter, high biosolids inventories are a significant problem throughout the rest of the Commonwealth as many farm fields have been too wet to take applications.

Field Operations responded to 66 customer calls in November and 58 calls for service in December. Staff reported eight dry weather overflows and assisted with six private property overflows. Calendar year 2018 has been challenging as the number of severe storms increased the number of sewer backup claims. Staff have received more than 40 claims, most related to wet weather.

The SSE/R section of the WPC Division, which has traditionally investigated the Authority’s sanitary sewers for problems, and the Preventative Maintenance Section of Field Operations, which has preventative and reactive cleaning responsibilities, have merged into one operating unit to increase sewer inspection and cleaning efficiencies. Both groups have suffered the loss of experienced personnel through retirements and promotions. Combining the groups will help to standardize training, better utilize equipment and allow increased use of acoustic inspection techniques to pinpoint problem areas for remediation. The new team will be known as Sanitary Sewer Preventative Maintenance (SSPM) and will be headed up by Jason Justice who previously supervised the Field Operations paving program.

In early January, staff received notification from the City of Roanoke Stormwater Division of a possible interconnection between the sanitary sewer and a storm drain in the area of Franklin Road and Wonju Street. Upon investigation, staff determined a small cavern had developed under a sanitary manhole as well as the storm drain in Franklin Road at Broadway allowing sewage to enter the storm drain. Staff filled the cavern and made repairs that should eliminate this problem in the future.

Phase 2 of the Rutrough Road Utility Project is nearing completion with one small portion of forcemain to be completed near Explore Park. The Roanoke Valley Resource Authority has started utilizing the new sewer forcemain system for leachate disposal. Previously, wastewater from the closed Rutrcugh Road Landfill was trucked to the Regional WPC Plant for disposal.
The Board of Directors were invited to the Authority’s Annual Service Awards Luncheon that was held January 24th at the Berglund Center.

Finance staff published a final audit document on the Authority’s website and have started preparations for the FY 20 budget. Staff also completed the annual rate review for bulk sewer charges for the Town of Vinton and City of Salem.

IT staff upgraded the operating system on servers that support the Authority’s Munis Financial system in anticipation for a major programing upgrade scheduled to start in March, 2019. New client software was loaded on two computers to test functionality.

Neil Norris, the Authority’s Assistant Director for Human Resources, was invited to a national meeting sponsored by the Environmental Protection Agency in Alexandria, Virginia on November 14th and 15th concerning workforce issues in the water industry. The meeting was an opportunity to bring new perspectives to workforce development issues and collaboratively define a series of actions that could be taken at the national level to advance solutions.

Billed water consumption was 421 million gallons for November and 400 million gallons for December. Both of these are slightly below historical averages for these months. However, retail sales revenues and total revenues for the two months remain strong and on budget.

With the loss of an experienced staff member and several staff on medical leave, Billing and Customer Service reported that average wait times did increase during the two month period from less than one minute in October to one minute at 29 seconds and one minute 26 seconds in November and December. However, answer rates remained greater than 90%. Service terminations for non-payment were lower compared to previous months at 326 for November and 187 for December.

Regional Efforts / Outreach

The Authority began billing customers in the Town of Boones Mill on behalf of the Town. Staff also completed CCTV inspection of the Town’s sewer system to locate sources of Inflow and Infiltration. Two significant sources were located and repaired.

Notice to Proceed has been issued to Boring Contractors Inc., for Phase 1 of the Summit View Utility Project and to Grindstaff Underground, Inc. for Phase 2. The Executive Directors updated the Franklin County Board of Supervisors at its January meeting where the Board approved the financing agreement for these projects.

As typical for the year’s weather, it did rain on our parade. However, rain did not stop the Water Authority, and our Polar Express float received First Place in the City of Roanoke’s Christmas Parade on December 14. The following week, the Polar Express visited area elementary schools in our service area to the delight of our youngest customers.

FINANCIAL REPORT FOR THE MONTHS NOVEMBER & DECEMBER 2018: Mr. McEvoy noted that year-to-date December 2018 represented 50% 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 48% and 49%, respectively, of budget. Retail revenues for the Water fund were 48% and WPC fund were 48%. Non-operating revenues for Water were 77% and WPC were 53% 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 46% and WPC were 44%. The Operating Margins for Water and WPC were 51% and 55%. Combined Operating Margin was 53%. The Water system has paid 50% of budgeted
interest expense and 91% of principal payments. WPC has paid 52% of interest expense and 66% of principal payments.

REPORT FROM AUTHORITY COUNSEL: Mr. Darby reported on the following:
1. Carillon Clinic;
2. Uttermost Contribution to Franklin County Extension;
3. Analysis of Potential claim;
4. Water System Revenue Bond, Series 2018;
5. Analysis of Potential Loss; and
6. HomeServe.

Mr. Darby reminded board members that their respective localities should be providing them with Financial Disclosure Statements and that the statements must be submitted by January 31st.

REPORT FROM COMMITTEE CHAIRS: Mr. Davis, Governance Committee Chair, made a motion for the Board to accept the recommendation voted on by the Governance Committee to move Randall Hancock into the Board Chair position and Hunter Young into the Board Vice-Chair position for the remainder of FY2019. Mr. Cowell seconded the motion. The FY2019 slate of officer changes were approved by the following roll call vote:

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

NAYS: None

Mr. Hancock shared that Mr. O’Donnell would be replacing Mr. Gates on the Board Audit Committee and the Board Compensation Committee for the remainder of FY2019.

REVIEW OF FINANCIAL PERFORMANCE MEASURES: Mr. McEvoy and Mr. Robertson shared a Power Point presentation reviewing Financial Performance Measures. A copy of this presentation in its entirety is attached to the approved minutes.

BUDGET KICK-OFF DISCUSSION: Mr. McEvoy and Mr. Robertson shared a Power Point presentation reviewing the Budget Kick-off Discussion. A copy of this presentation in its entirety is attached to the approved minutes.

NON-REVENUE WATER PRESENTATION: Mr. Robertson provided a report on non-revenue water. A copy of this report in its entirety is attached to the approved minutes. Staff from the Water Division provided a high level overview of non-revenue water; including what defines non-revenue water, procedures that are currently being used to locate non-revenue water, and analysis reporting.

CITIZENS COMMENTS: None

BOARD MEMBER COMMENTS: None
OTHER BUSINESS: None

Mr. O'Donnell left the meeting at 4:10 p.m.

Mr. Hancock adjourned the meeting at 4:39 p.m.
Gayle Shrewsbury
Gayle Shrewsbury, Secretary
WVWA Board of Directors