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

The Board of the Western Virginia Water Authority (WVWA) met on Thursday, February 21, 2013, 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 and Hunter Young 7.

ABSENT: Dan O'Donnell 1.

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; Tammy Lawfield, Assistant Director of Finance; 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; Jennifer Meeks, Senior Accountant; Will Sullloss, Chief Engineer-Design and Construction; and Nicholas Robertson, Draper Aden.

APPROVAL OF MINUTES: Mr. Brookins moved approval of the January 17, 2019 Governance Committee meeting minutes and the January 17, 2019 Board Meeting Minutes. Mr. Davis seconded the motion. Hearing no discussion, the minutes of the January 17, 2019 Governance Committee meeting minutes and the January 17, 2019 Board Meeting Minutes were approved by voice vote.

Dr. Cayelan Carey, Assistant Professor of Biological Sciences at Virginia Tech, was scheduled to give a presentation regarding Reservoir Research; however, she was unable to attend the meeting, and will present her research at a future date.

COMMUNICATION FROM EXECUTIVE DIRECTORS: Mr. McEvoy gave a summary of the January 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.

Water System

Mountain Valley Pipeline construction activity at the Roanoke River crossing upstream of the raw water intake appears to be on hold.
Construction continues on the Muse Spring Water Treatment Facility, the Carvins Cove filter upgrade project, and the Hunting Hills pump station.

Wastewater System

On January 23rd, the hillside behind 3022 Bancroft Drive SW failed, damaging a sewer main at the top of the slope. This hillside has had a history of slope failures. At the time of the slide, the Authority was experiencing a water main break approximately 900 feet away in the 1400 block of Burnsligh Road SW. Water from the break was apparently infiltrating into a nearby sewer main. The water was released down the failed slope when the sewer main was damaged. The slide received extensive media coverage and attracted the attention of representatives of the Commonwealth’s Department of Mines, Minerals and Energy. A copy of the report that includes information about the geology and history of the location was shared.

Engineering Services reports that Phase 2 of the Rutrough Road Utility Project is substantially complete. The Landfill has started pumping water through the forced main to our sewer collection system which will keep the Landfill from needing to truck water to the wastewater plant. This will save them money and will lower truck traffic in the plant.

Roanoke County is completing their portion of the project at Explore Park which should be operational next month.

Administration

The Authority’s Annual Service Awards Luncheon was held at the Berglund Center on January 24th and was well attended by staff. Special thanks to Board members Don Davis and Harvey Brookins for representing the Board of Directors at the event.

In January, staff received proposals in response to a Request for Proposals (RFP) for Electronic Payment Processing. Responses were received from four vendors including our current vendor. Unfortunately, all the submittals were ruled nonresponsive. Two of vendors did not provide information to determine if their proposals would meet requirements for integration with the Authority’s CustomerWeb portal while the other two vendors did not include important information regarding a kiosk payment solution. Staff’s recommendation is to reject all proposals and reissue the RFP with more detailed instructions and requirements.

Regional Efforts / Outreach

The heavy equipment simulator has been delivered to Field Operations. The simulator replicates the actions of a tracked excavator through use of VR technology. It will be used to train new and existing employees as well as students participating in the Authority’s apprenticeship program.

FINANCIAL REPORT FOR THE MONTH OF JANUARY 2019: Mr. Robertson noted that year-to-date, January 2019 represented 58% 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 56% and 57%, respectively, of budget. Retail revenues for the Water fund were 56% and WPC fund were 56%. Non-operating revenues for Water were 82% and WPC were 60% 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 53% and WPC were 52%. The Operating Margins for Water and WPC were 60% and 66%. Combined Operating Margin was 62%. The Water system has paid 50% of budgeted interest expense and 91% of principal payments. WPC has paid 56% of interest expense and 70% of principal payments.

REPORT FROM AUTHORITY COUNSEL: Mr. Darby reported on the following:
1. Carilion Clinic;
2. Analysis of Liability Issues;
3. Negotiations with Appalachian Power Company; and
4. Franklin County Water System.

REPORT FROM COMMITTEE CHAIRS: Mr. McEvoy presented a request to the board for the scheduled April 18, 2019 Board meeting to be moved to April 25, 2019 due to staff availability. Mr. Davis made a motion approving the April Board Meeting change to April 25, 2019 and Mr. Young seconded the motion. Hearing no discussion, the April Board Meeting date change was adopted by the following roll call vote:

AYES: Board Members Bradshaw, Brookins, Cowell, Davis, Holland, Young, Hancock ------7.

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

AUTHORIZATION TO ACQUIRE FREDERICK ACRES WATER SYSTEM-RESOLUTION NO. 376:
Mr. Robertson presented Resolution 376 to the Board which would give approval for the Authority to acquire Frederick Acres Water System. A copy of this report in its entirety is attached to the approved minutes.

Mr. Young made a motion to approve Resolution No. 376 and Mr. Cowell seconded the motion. Resolution No. 376 was adopted by the following roll call vote:

AYES: Board Members Bradshaw, Brookins, Cowell, Davis, Holland, Young, Hancock ------7.

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

REQUEST TO GRANT ONE-TIME ACCESS TO THE CARVINS COVE RESERVOIR: Mr. Robertson presented a request by Virginia Blue Ridge to allow one-time access at Carvins Cove Reservoir to sponsor an IRONMAN Competition. A copy of this report in its entirety is attached to the approved minutes.

A discussion took place regarding concerns of having such a large number of people at the Cove at one time, as well as allowing a specific group one-day access to swim and not the residents. The
opinion was also shared that Iron-Man would be a great opportunity to introduce people to the Roanoke Valley and all that this wonderful place has to offer.

Mr. Bradshaw made a motion to grant a one-time access to the Carvins Cove Reservoir and Mr. Davis seconded the motion. A one-time access to the Carvins Cove Reservoir was adopted by the following roll call vote:

AYES: Board Members Bradshaw, Brookins, Cowell, Davis, Holland, Young, Hancock----7.

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

Mr. Brookins asked for the minutes to reflect his concerns regarding one-time access to any one particular group.

UPDATE ON WATER POLLUTION CONTROL PLANT ELECTRICAL UPGRADE: Mr. McEvoy presented a report regarding the Water Pollution Control Plant electrical upgrade. A copy of this presentation in its entirety is filed with the approved minutes.

A discussion took place including the opinion that staff needed to have facts and figures regarding the contract before it was signed. Mr. McEvoy shared that once the contract was signed we would still be required to make payment prior to AEP beginning the upgrades; therefore, at that time, the Authority would be able to choose not to proceed if the contract was not agreeable.

Mr. Brookins made a motion to approve signing a contract with AEP to proceed with the electrical upgrade, and Mr. Cowell seconded the motion. Hearing no discussion, the approval to sign a contract with AEP for electrical upgrades was adopted by the following roll call vote:

AYES: Board Members Bradshaw, Brookins, Cowell, Davis, Holland, Young, Hancock ------7.

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

EXPENSE BUDGET DEVELOPMENT FOR FY20: Mr. Robertson, Mr. McEvoy and Ms. Lawfield gave a Power Point presentation and answered questions regarding Expense Budget Development for FY20. A copy of this presentation in its entirety is filed with the approved minutes.

CITIZENS COMMENTS: None

At 4:23 p.m. the Board took a break prior to going into closed session.

CLOSED SESSION: At 4:28 p.m. Mr. Brookins made a motion to go into closed session to consult with legal counsel retained by the Authority regarding a specific legal matter involving potential liability of the Authority to one or more citizens pursuant to Section 2.2-3711.A.8 of the Code of Virginia, 1950, as amended. The motion was seconded by Mr. Bradshaw.
The Board approved the motion by the following roll call vote:

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

At 5:20 p.m. on a motion by Mr. Davis, seconded by Ms. Holland, 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, Young, Hancock----7.
NAYS: None-----------------------------------------------------------------------------------0.

CERTIFICATION OF CLOSED MEETING: At 5:21 p.m. Mr. Cowell 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. Brookins.

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

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

At 5:21 p.m. Mr. Cowell and Ms. Holland left the meeting.

CLOSED SESSION: At 5:22 p.m. Mr. Davis made a motion to go into closed session to discuss or consider the disposition of real property owned by the Authority and improved by a major component facility in the Authority’s water distribution system 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. Brookins.

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

AYES: Board Members Bradshaw, Brookins, Davis, Young, Hancock--------------------------5.
NAYS: None-----------------------------------------------------------------------------------0.

At 5:40 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, Davis, Young, Hancock------------------5.
NAYS: None---------------------------------------------------------------------0.

CERTIFICATION OF CLOSED MEETING: Mr. Young 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. Eradshaw and adopted by voice vote.

AYES: Board Members Bradshaw, Brookins, Davis, Young, Hancock------------------5
NAYS: None---------------------------------------------------------------------0.

Mr. Hancock adjourned the meeting at 5:41 p.m.
Gayle Shrewsbury
Gayle Shrewsbury, Secretary
WVWA Board of Directors