WESTERN VIRGINIA WATER AUTHORITY
MINUTES OF BOARD MEETING
April 25, 2019

The Board of the Western Virginia Water Authority (WVWA) met on Thursday, April 25, 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

ABSENT: None

OTHERS PRESENT: Gary Robertson, Executive Director, Water Operations; Mike McEvoy, Executive Director, Wastewater Services; Gayle Shrewsbury, Secretary; Paul Beers, 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; Jennifer Meeks, Senior Accountant; Will Bulloss, Chief Engineer-Design and Construction; and Neil Norris, Assistant Director of Risk Management and Human Resources.

APPROVAL OF MINUTES: Mr. Davis pointed out that in the sixth paragraph of the second page, 2018 was listed when it should have been 2019. Mr. Brookins moved approval of the March 21, 2019 Board Meeting Minutes as amended. Mr. Davis seconded the motion. Hearing no discussion, the amended minutes of the March 21, 2019 Board Meeting were approved by voice vote.

Mr. O'Donnell moved approval of the April 10, 2019 Compensation Committee Meeting Minutes. Mr. Davis seconded the motion. Hearing no discussion, the minutes of the April 10, 2019 Compensation Committee Meeting were approved by voice vote.

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

Reservoir levels at both Carvins Cove and Spring Hollow remain above average for this time of year.

Staff at the Smith Mountain Lake Water Treatment Facility (SMLWTF) produced a total of 43.32 MG of treated water during the month of March. The average daily production rate for the period was 1.40 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.

On April 11, the Executive Director and Director of Water Operations attended an emergency management meeting hosted by the Virginia Department of Emergency Management (VDEM). The meeting was held in Franklin County at the Public Safety Facility and was attended by staff from Franklin County, VDEM, and the Virginia Department of Transportation. The focus of the meeting was to discuss emergency action required in the event of a major pipeline failure.

The total number of water main breaks for March is 34, down from 36 in February. The majority of the breaks (15) were on 2-inch mains.

Water production staff prepped Falling Creek WTF to return to service on April 1st.

Construction continues on the Muse Spring Water Treatment Facility. Concrete work is complete, and contractors are on site assembling the building and performing electrical work.

Construction continues on the Carvins Cove filter upgrade project. The blowers and blower building are complete and functioning as designed.

**NON-REVENUE WATER**

During March, staff focused efforts in several District Metered Areas (DMAs). Using a combination of line locators, data loggers and correlation equipment, a total of four leaks were found, and two DMA meters were replaced or installed.

**Wastewater System**

Flows at the Water Pollution Control (WPC) Plant abated somewhat in March compared to February’s average but were still higher than typical at 45.8 mgd. No wet weather plant or collection system overflows were recorded. A total of eleven dry weather overflows were reported by Field Operations as well as three private property overflows. No biosolids were applied during the month although the Authority’s contractor is preparing to resume applications. A total of 317 loads of septage were discharged to the plant during March.

WPC staff received a preliminary engineering report on possible upgrades to the WPC Plant’s anaerobic digesters and gas production systems. The report suggests the digest gas currently produced and used for production of electricity may have more value if it was refined to pipeline quality and sold on the renewal energy market.

Staff also received bids for improvements to the Plant’s septage receiving station and a new channel screen. The apparent low bidder for the septage equipment is Lakeside Environmental and Hydro Dyne, Inc. for the screen. Both bids are under evaluation for compliance with bid documents.

Installation of the electrical conduit for the new 12.47 KV distribution loop around the plant is 90% complete. Staff executed the agreement with AEP to begin work on the substation to tap AEP’s 138 KV transmission line.
Field Operations responded to 93 customer calls for assistance with sewer problems in March. The SSPM section of Field Operations set new monthly highs for sewer acoustic and CCTV inspection. Sewer CIP crews continued work on the Youngwood Drive sewer rehabilitation project which is approximately 50% complete.

Engineering Services reports that the Lick Run Interceptor Lining Project is 90% complete. Work will need to be done to clean up and restore landscape that has been affected. Rehabilitation of sewer mains in Crystal Spring Avenue and Westside Boulevard are 60% complete.

Phase 2 of the Harves: Lane Area Sewer Improvements is 95% complete. DLB Enterprises is approximately 10% complete with the Peters Creek Road Sanitary Sewer Replacement Project. The Club House Drive Sewer Rehabilitation Project is 85% complete. Sewer work associated with the Huntington Boulevard Water Main Replacement Project is 90% complete. The Summit View project is approximately 30% complete.

Administration

Upgrades to the Authority’s financial management system, Munis, were completed in early April. This work included upgrades to the Authority’s payroll systems as well. Staff has continued work on the budget and plans to present the FY20 Capital Improvement Plan as well as updated revenue and expense projections at the April meeting.

The Authority’s benefit broker, Mark III, solicited proposals on the Authority’s behalf for fully-insured and self-insured medical plans to compare against the Authority’s current provider.

Billing staff re-issued a Request for Proposals (RFP) for Electronic Payment Processing and received two responses. Invoice Cloud, the selected vendor, offers customers the option to store multiple checking, debit or credit card profiles from which they can select to pay their bill. They also offer customers’ improved communication options such as email notifications when a bill is ready to be paid. Finally, Invoice Cloud provides tighter integration with Cogsdale, the Authority’s customer information system.

Billed water consumption for March dropped under 400 million gallons for the first time this fiscal year to 392 million gallons.

At the March Board meeting, several requests for follow-up information were made including information about customers by locality, service termination rates and monthly billing comparisons in terms of median household income. This information was included in the report.

Average monthly service disconnection rates continue to drop, likely due to the improving economy and assistance provided by the Authority to the United Way from proceeds of the HomeServe program.

Information was provided that compared combined monthly water and sewer bills for residential customers for the Authority versus other localities in terms of median household income.

Regional Efforts / Outreach

The Authority’s entry into the St. Patrick’s Day parade on Saturday, March 16 in downtown Roanoke won a second place award.
Authority staff also helped judge the Western Virginia Regional Science Fair on March 16.

Over 600 guests attended Jefferson College of Health’s Senses and ScienceAbility Festival on March 23. The toilet game, where participants could throw items into a toilet and learn what should – or should not – be flushed was a hit with everyone.

Authority staff participated in a SE Roanoke neighborhood clean-up event and L-O-V-E sign dedication on April 6. The WPCP Maintenance staff worked with the I Heart SE committee to develop a secure waterproof display for the L-O-V-E letters on the plant’s property next to the Roanoke River Greenway. The sign features over 300 images of places and businesses in SE Roanoke that were painted by residents and students.

Five students have been selected to participate in the Water Authority’s High School Apprenticeship program starting this summer. These students join the nine students already in the program. A signing event is scheduled to take place April 30 at 6:00 p.m. at the Roanoke County School Administration Building

FINANCIAL REPORT FOR THE MONTH OF MARCH 2019: Mr. Robertson noted that year-to-date, March 2019 represented 75% 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 72% and 74%, respectively, of budget. Retail revenues for the Water fund were 72% and WPC fund were 73%. Non-operating revenues for Water were 93% and WPC were 75% 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 68% and WPC were 66%. The Operating Margins for Water and WPC were 76% and 87%. Combined Operating Margin was 81%. The Water system has paid 99% of budgeted interest expense and 97% of principal payments. WPC has paid 97% of interest expense and 99% of principal payments.

REPORT FROM AUTHORITY COUNSEL: Mr. Beers reported on the following:
1. Negotiations with America Electric Power;
2. Mandatory Connection Issue In Botetourt County; and
3. Invoice Cloud.

REPORT FROM COMMITTEE CHAIRS: Ms. Holland reported that the Compensation Committee met on April 10th and is recommending an averaged employee performance increase of 3% and a salary increase for the Executive Directors of 3%. The Executive Directors will be providing a report to the Board on accomplishments and an updated Strategic Plan. A closed session was requested, to take place prior to adjourning the meeting to discuss personnel matters related to compensation.

Mr. Davis shared that the Governance Committee met to discuss the FY20 Board Chair and Vice Chair positions as well as the current chain of command and suggested future changes.

CAPITAL IMPROVEMENT PLAN FY20: Ms. Lawfield; Mr. Robertson, Mr. McEvoy, and Mr. Kroll gave a Power Point presentation and answered questions regarding the FY20 Capital Improvement Plan. A copy of this report in its entirety is filed with the approved minutes.
Discussions took place regarding health benefit increases in comparison to the proposed performance increases, lowering Franklin County sewer rates immediately instead of gradually over the next three years as planned and prices charged at Carvins Cove relative to the incurred expenses.

**CITIZENS COMMENTS:** None

**CLOSED SESSION:** At 4:41 p.m. Mr. Brookins made a motion to go into closed session to discuss personnel matters specifically related to employee compensation; pursuant to Section 2.2-3711.A.1 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, Holland, O'Donnell, Young, Hancock--8.

**NAYS:** None--0.

At 4:49 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 4:49 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, Holland, O'Donnell, Young, Hancock--8.

**NAYS:** None--0.

Mr. Hancock adjourned the meeting at 4:50 p.m.
APPROVED: May 16, 2019

ATTEST:

Gayle Shrewsbury, Secretary
WVWA Board of Directors