The Board of the Western Virginia Water Authority (WWWA) met on Thursday, May 16, 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.

ROLLED 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: 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; Jennifer Meeks, Senior Accountant; Will Bulloss, Chief Engineer-Design and Construction; Neil Norris, Assistant Director of Risk Management and Human Resources; and Nicholas Robertson, Draper Aden.

APPROVAL OF MINUTES: Mr. Davis moved approval of the April 25, 2019 Governance Committee Meeting Minutes and the April 25 Board Meeting Minutes. Mr. Brookins seconded the motion. Hearing no discussion, the minutes of the April 25, 2019 Governance Committee Meeting and the April 25, 2019 Board Meeting Minutes were approved by voice vote.

UPDATE ON RELOCATION OF CRYSTAL SPRING PUMP STATION: Mr. Robertson provided an update on the relocation of the Crystal Spring Pump Station on Jefferson Street and Weller Avenue which will be necessary due to the upcoming expansion of the Carilion Roanoke Memorial Hospital.

COMMUNICATION FROM EXECUTIVE DIRECTORS: Mr. Robertson gave a summary of the April 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 50.99 MG of treated water during the month of April. The average daily production rate for the period was 1.70 million gallons per day.

For the second year in a row, the Authority won the People’s Choice Award for the best tasting drinking water at the 2019 AWWA Distribution Utility Rodeo held in Norfolk, Virginia.

The total number of water main breaks for April was 12, down from 34 in March. The majority of the breaks (five) were on 2-inch mains. The number of leaks on water services for April totaled 32, just under March’s total of 33.

CM crews replaced a total of 57 LF of water main (various sizes) this month due to main breaks with 20 LF of 8-inch main being the highest total of LF replaced per line size. A total of 1,058 LF of water main (all sizes) has been replaced by CM crews so far in FY19.

CIP crews installed a total of 1,666 LF of water main of various sizes this month. A total of 7,642 LF of water main (all sizes) and a total of 4,387 LF of service line has been installed by CIP crews so far in FY19.

Construction continues on the Muse Spring Water Treatment Facility. The shell of the building is roughly 75% complete. The project is scheduled for substantial completion July 2019.

Construction continues on the Carvins Cove filter rehabilitation project. The new filter media profile will consist of a 14-inch thick sand base layer topped with a 23-inch thick layer of anthracite. If work remains on schedule, three of six rehabilitated filters will be in service by the end of May. In addition to ongoing construction, staff began annual cleaning of the sedimentation basins.

During April, WOPs and Virginia Department of Health staff completed the three-year inspection required for all pump and storage facilities in the Roanoke area.

Staff received bids for a proposed picnic shelter at Carvins Cove. S.C. Rossi Co. was the apparent low bidder.

Through the use of contractual services, staff recently completed painting of the Upland Game water storage tank. Staff also received bids for painting the Penguin Lane, Dal-Nita Hills and Summit Ridge tanks. Eastern Tank was the apparent low bidder.

Staff continues easement clearing and visual inspection along the South Loop water transmission main. During April, a contractor began clearing a remote area near Poor Mountain Road and Foster Lane.

NON-REVENUE WATER

Staff evaluated the Roanoke area water system in April for Unaccounted for Non-Revenue Water (NRW) and found the following:
<table>
<thead>
<tr>
<th>April 2019</th>
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<tbody>
<tr>
<td>Water Produced</td>
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<tr>
<td>Metered Water</td>
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<tr>
<td>Accounted for Non-Revenue Water*</td>
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<tr>
<td>Net Unaccounted for</td>
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<td>Non-Revenue Water</td>
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* Accounted for Non-Revenue Water includes Water Main Breaks, Fire Department Flow-Tests, Actual Fires and Water Authority Scheduled Flushing

During April, Gladys Gensurowsky, the Authority’s Water Operations Analyst, attended a two-day AWWA water audit analysis seminar in Charlotte, NC. The class was attended by peers from North Carolina, South Carolina, Florida and even Canada. During the course, instructors and members of the class acknowledged that the Western Virginia Water Authority is more advanced than other utilities in non-revenue water loss analysis. No one else attending the class performed a detailed monthly analysis or engaged in proactive leak detection. The class instructors discouraged the use of percentage indicators when assessing water loss in a distribution system.

**Wastewater System**

While rainfall in April was above normal, flows at the Water Pollution Control (WPC) Plant continued to drop compared to previous months but were still higher than average at 43.9 mgd. This is now the 8th month in a row with average daily flows over 40 mgd. No wet weather plant or collection system overflows were recorded. Field Operations reported just three dry weather overflows as well as assisting with two private property overflows. The Authority’s biosolids contractor resumed operations and was able to apply 162 tons of material at the end of the month. A total of 306 loads of sewage were discharged to the plant during April.

As reported last month, staff received bids for improvements to the Plant’s septage receiving station and a new channel screen. Lakeside Environmental was awarded the bid for the septage receiving station and Hydro Dyn, Inc. was awarded the bid for the screen. Staff expect shop drawing submittals to begin in June.

WPC staff has also been implementing a project to replace existing dissolved oxygen (DO) probes with new ones and older control valves with updated electric actuated motors in the plant’s aeration basins. With better control of air flow to the aeration basins, electrical consumption can be reduced which is important in that the aeration basins account for 50% of all electrical consumption at the WPC Plant.

In April, Field Operations responded to 74 customer calls for assistance with sewer problems, down significantly from the previous month. Sewer CIP crews continued work on the Youngwood Drive sewer rehabilitation project and the Azalea Road sewer replacement project.

Dukes Root Control was in town in April to treat problematic sewer mains for roots. Chemical application was performed on 611 pipes totaling 147,475 linear feet.

Engineering Services continues to work with Insiteform Technologies on unsatisfactory performance including restoration work along the Lick Run Greenway as well as the Westside and Crystal Springs projects, which are 85% and 65% complete.
Sewer work associated with the Huntington Boulevard Water Main Replacement Project is 35% complete. The Summit View project is approximately 55% complete. Work has begun on the Salem Turnpike Sewer Improvements.

Administration

Staff presented the final draft budget for FY 2020 as well as a request to advertise rates and fees for calendar year 2020. The Authority’s auditors, RFC, Inc., will begin work at the end of May on the FY2019 financial statements.

Employees throughout the Authority participated in benefit open enrollment at the end of April and early May. Employees also completed annual training requirements in several subject areas including harassment and workplace violence.

April saw an increase in billed water consumption back above 400 million gallons to 403 million gallons. Retail sales for April were good at $4.9M with total revenues of $5.5M. Service disconnections for non-payment dropped to 320.

Information Technology staff completed an upgrade to the Cogsdale billing system in April. They also continued on workstation upgrades to Windows 10.

Engineering Services received submittals in response to a Request for Proposals to evaluate and make recommendations on improvements to the Authority’s GIS and Asset Management systems. Both of these systems are greater than 10 years old and other than system updates, have not undergone a comprehensive review compared to current products on the market.

Regional Efforts / Outreach

Mr. McEvoy and Mr. Robertson were invited to speak to a group of business and governmental officials in Lexington, Virginia on April 22, 2019. The purpose of the meeting was to discuss regional issues between Buena Vista, Lexington and Rockbridge County. The discussion centered on challenges and benefits of forming the Western Virginia Water Authority.

Representatives from utilities and authorities in the Roanoke and New River Valleys gathered at the Berglund Center for the Roanoke Regional Public Works Equipment Rodeo on April 10. Donnie Rowan placed first in the Backhoe and Mini-Excavator events. Taft Beasley placed second in Front End Loader and Ryan Thrasher placed second in Mini-Excavator.

At a signing event held April 30, staff welcomed five new students into the Apprenticeship program. These students join the nine students who are currently working as registered high school apprenticeship students in water treatment, wastewater treatment and water distribution.

Staff co-hosted the Prescription Drug Take-Back day on Saturday, April 27 and collected over 1,966 pounds of medication across the valley. To date, over 35,000 pounds of medication has been collected in an effort to protect our waterways and our community.
FINANCIAL REPORT FOR THE MONTH OF APRIL 2019: Mr. McEvoy noted that year-to-date, April 2019 represented 83% 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 80% and 82%, respectively, of budget. Retail revenues for the Water fund were 79% and WPC fund were 81%. Non-operating revenues for Water were 103% and WPC were 83% 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 76% and WPC were 72%. The Operating Margins for Water and WPC were 85% and 98%. Combined Operating Margin was 91%. The Water system has paid 99% of budgeted interest expense and 97% of principal payments. WPC has paid 100% of interest expense and 99% of principal payments.

REPORT FROM AUTHORITY COUNSEL: Mr. Darby reported on the following:
1. Governance and Executive Director;
2. Amended Resolution 319 to Extend Additional Retirement Benefits;
3. Resolution on Acquisition of Two Water Systems in Franklin County;
4. Resolution on Long Term Care Insurance Program; and
5. Memorandum of Understanding with Carilion Clinic.

REPORT FROM COMMITTEE CHAIRS: Mr. Davis, Governance Committee Chair, made a motion to accept the following slate of officers that was being recommended by the Governance Committee for FY2020:

Randall Hancock, Chairman
Hunter Young, Vice-Chairman
Tammy Lawfield, Treasurer
Gayle Shrewsbury, Secretary
Sarah Baumgardner, Assistant Secretary

Mr. Cowell seconded the motion. The 2020 slate of officers was adopted by the following roll call vote:

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

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

Mr. McEvoy suggested that the Board vote to move the June 20th, 2019 Board meeting from 3:00 p.m. to 4:00 p.m. Mr. Bradshaw made a motion to change the time of the June 20th Board meeting to 4:00 p.m. and Mr. Brookins seconded the motion. Hearing no discussion, the June 20th 4:00 p.m. Board meeting time was adopted by the following roll call vote:

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

NAYS: None--------------------------------------------------------------------0.
RESOLUTION NO. 377 CONFIRMING PAY-OUT OPTIONS FOR DIRECTORS’ 401k MONEY PURCHASE: Mr. Davis moved approval of Resolution No. 377, and it was seconded by Mr. Cowell. Resolution No. 377 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 HOLIDAY SCHEDULE FOR FY 2020: Mr. McEvoy presented for the Board’s approval the proposed Western Virginia Water Authority holiday schedule for Fiscal Year 2020. The total number of holidays remains at eleven. Mr. Davis made a motion to approve the holiday schedule, and Mr. Cowell seconded the motion. The Holiday schedule 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 THE BOARD MEETING SCHEDULE FOR FY 2020: Mr. McEvoy presented the Western Virginia Water Authority Board Meeting schedule for the Fiscal Year 2020. Mr. Davis made a motion to approve the Board meeting schedule, and Mr. Cowell seconded the motion. The Board meeting schedule was adopted by the following roll call vote:

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

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

RESOLUTION NO. 378 ADOPTION OF VRS OPTIONAL BENEFIT FOR EMPLOYEES - LONG TERM CARE INSURANCE: Mr. McEvoy presented Resolution No. 378 approving the adoption of VRS Optional Benefit for Employees Long-Term Care insurance. Mr. Davis moved approval of Resolution No. 378, and it was seconded by Mr. Young. Resolution No. 378 was adopted by the following roll call vote:

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

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

RESOLUTION NO. 379 AUTHORIZATION TO ACQUIRE THE STRIPER’S LANDING AND BLUE WATER BAY WATER SYSTEMS: Mr. Robertson presented Resolution No. 379 authorizing acquisition of Striper’s Landing and Blue Water Bay Water Systems. Mr. Brookins moved approval of Resolution No. 379, and it was seconded by Ms. Holland. Resolution No. 379 was adopted by the following roll call vote:
AYES: Board Members Bradshaw, Brookins, Cowell, Davis, Holland, O'Donnell, Young, Hancock―8.

NAYS: None―0.

BUDGET FY20 REVIEW CHANGES/FINALIZE DRAFT BUDGET: Ms. Lawfield, Mr. Robertson and Mr. McEvoy gave a Power Point presentation and answered questions regarding the draft FY20 Budget. A copy of this report in its entirety is filed with the approved minutes.

Discussions took place regarding Franklin County sewer rates and the benefit of equalizing rates in FY 20 instead of waiting until 2023 as originally planned.

AUTHORIZATION TO PUBLISH PROPOSED RATES FOR CY 2020: Resolution 380 was brought before the Board.

Ms. Lawfield reported proposing base rate changes for both water and sewer. If adopted, these changes would go into effect January, 2020. The Code of Virginia mandates a public hearing before rate adoption and notification of the proposed rates in the newspaper 14 days in advance of the public hearing. To meet this requirement, the planned advertisement dates are May 26, 2019 and June 2, 2019. The public hearing on rates is scheduled for 5:30 PM on June 20, 2019.

Mr. Bradshaw made a motion to approve Resolution No. 380 with amendment for Franklin County sewer rates, and Ms. Holland seconded the motion. Hearing no discussion, Resolution No. 380 was adopted by the following roll call vote:

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

NAYS: None―0.

CITIZENS COMMENTS: None

BOARD MEMBER COMMENTS: Mr. Brookins thanked Mr. Hancock for his willingness to accept the position of Board Chair again for FY20 after completing the partial year in FY19. Mr. Davis thanked Ms. Lawfield for all the work required to prepare the FY20 budget and a job well done. Ms. Holland thanked the Board for the thoughtful consideration of lowering Franklin County sewer rates.

OTHER BUSINESS: None

Mr. Hancock adjourned the meeting at 4:27 p.m.
APPROVED: June 20, 2019

ATTEST:

Gayle Shrewsbury, Secretary
WVWA Board of Directors