WESTERN VIRGINIA WATER AUTHORITY  
MINUTES OF BOARD MEETING and PUBLIC HEARING  
June 20, 2019

The Board of the Western Virginia Water Authority (WVWA) met on Thursday, June 20, 2019, in the Board Room at 601 S. Jefferson Street, Roanoke, Virginia. Board Chair Randall Hancock called the meeting to order at 4:00 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: 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; Soundarya Krishnamurthy, WVWA Intern; and Beth Doughty, Executive Director, Roanoke Regional Partnership.

APPROVAL OF MINUTES: Mr. Brookins moved approval of the May 16, 2019 Board Meeting Minutes. Mr. Davis seconded the motion. Hearing no discussion, the minutes of the May 16, 2019 Board Meeting were approved by voice vote.

PRESENTATION BY BETH DOUGHTY, EXECUTIVE DIRECTOR, ROANOKE REGIONAL PARTNERSHIP: Beth Doughty, Executive Director, Roanoke Regional Partnership, provided an update on the relationship between the Authority and the Roanoke Regional Partnership. Ms. Doughty stressed that Authority staff has been a great partner with Roanoke Regional Partnership.

Mr. Hancock requested a motion to approve the addition of Sarah Baumgardner to the Board’s Slate of Officers for FY20, as the Freedom of Information Act Officer. Mr. Brookins made a motion to approve Sarah Baumgardner as the Freedom of Information Act Officer for FY20 and Mr. O’Donnell seconded
the motion. Ms. Baumgardner was voted the Freedom of Information Act Officer for FY20 by the following roll call vote:

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

NAYS: None

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

For the month of May, the Roanoke area recorded 2.81 inches of precipitation, a -1.25 inch departure from normal. Total annual precipitation for 2018 was a record setting 62.45 inches, a 21.20 departure from normal. Current mapping by the U.S. Drought Monitor indicates all of Virginia remains in "Normal Condition." Reservoir levels at both Carvins Cove and Spring Hollow remain above average for this time of year.

On May 30th the Executive Director and Director of Water Operations attended a safety presentation by partners of Mountain Valley Pipeline. Following the presentation, the Virginia Department of Emergency Management (VDEM) hosted an emergency management meeting to discuss emergency action required in the event of a major pipeline failure.

Construction continues on the Muse Spring Water Treatment Facility. The exterior of the building is nearly complete and the focus of work has moved to the inside of the building. Contractors are performing electrical, plumbing and masonry work in preparation for filter module installation.

Staff continues to work with Carilion and Whitman Requardt & Associates, LLP on design documents for relocating the Crystal Spring Pump Station. Staff’s intent is to have a formal agreement presented to the Board at the July meeting.

Staff is working with the Stripers Landing and Bluewater Bay associations to formalize an operations agreement to allow for operation of the two systems during transfer of ownership.

The 2019 Water Quality Report has been published on the Authority’s website and notification of its publication has been sent to all customers.

Staff evaluated the Roanoke area water system in May for Unaccounted for Non-Revenue Water (NRW) and found that we are currently at 23%.

Staff have been working closely with Roanoke City Fire Department on an adaptor that will provide a quick and secure connection to a snap connection fire hydrant (Jones Hydrant). Utilizing an old snap
connection hydrant, Roanoke City Fire Department provided recommendations to Cardinal Rubber & Seal, Inc. on a design for an adaptor which was then produced. The adaptor was field tested and met the expectations of the Authority and fire department for connecting to a snap connection hydrant. Fire departments from Roanoke City, Roanoke County, and Franklin County will benefit from the adaptor. Total cost for the adaptors for the Authority, Roanoke City Fire Department, Roanoke County Fire Department, and Franklin County Fire Department is $32,375.00. The Authority would like to facilitate the purchase of these adaptors for the fire departments providing approval from a sole source provider.

Staff met with Roanoke County Fire Department to review a few areas of concerns with the current available fire flow. During the review, the Authority found locations were the flow was compromised by a closed valve in the distribution system, identified hydrants in the distribution system the fire department can utilize as a draft hydrant, and identified locations where a water line extension would improve the current fire flow.

**Wastewater System**

With drier conditions in May, flows at the Water Pollution Control (WPC) Plant dropped to 32.6 mgd, the second lowest monthly total for this fiscal year. No wet weather plant or collection system overflows were recorded for the month.

Payment was made to AEP for their portion of the electrical upgrades at the WPC Plant.

Staff met with representatives of Roanoke Gas to discuss requirements for accepting natural gas produced by the digesters at the WPC Plant into Roanoke Gas's distribution system. The digesters produce a gas mixture primarily consisting of methane (63%) and carbon dioxide (37%). However, the carbon dioxide and any minor impurities can be removed through a membrane process to create a gas mix that is similar to extracted natural gas. This gas can then be sold through the renewable fuels market at a premium compared to typical pipeline gas. Roanoke Gas was excited about the idea and agreed to help locate vendors that work in the renewable fuels market to gather more information.

Engineering Services reports that Insituform Technologies has made good progress restricting vegetative areas along the Lick Run Greenway. Portland Utilities has reached substantial completion on the Williamson Road Sewer Replacement Project in the 4000 block of Williamson between Flora and Drive and Broad Street.

DLB Enterprises continued to struggle with rock in Peters Creek Road and is just 20% complete with the Peters Creek Road Sanitary Sewer Replacement Project. Staff has requested an updated schedule and additional resources be applied to the job. Pipe installation is complete on the Club House Drive Sewer Rehabilitation Project with just restoration work remaining. The Summit View project is approximately 60% complete. Staff issued a stop work order for the portion of work involving Lift Station No. 1 as it appears the contractor exceeded clearing limits. Staff is working with the contractor and Franklin County on stabilization efforts.
Administration

The rate changes proposed at the May meeting were advertised in the Roanoke Times on May 26, 2019 and June 2, 2019 and on the Authority’s website in preparation for the June 20th Public Hearing.

Several industry organizations including the American Water Works Association (AWWA), the Water Environment Federation (WEF) and the National Association of Clean Water Agencies (NACWA) have developed an alternative affordability metric to replace use of residential bills as a function of median household income. An analysis using this new method was presented for review.

Invoice Cloud, the Authority's new electronic payment processing company, will start providing service to customers July 1. Information Technology staff worked with the company to integrate payment systems with Cogsdale and the Authority’s website. The change will provide customers with 1) the option of setting up payment defaults so that bank information does not have to be entered each time; 2) text reminders with a payment option; 3) email notifications and reminders with due dates and amounts owed in the emails and the ability to schedule payments; and 4) a reduction in fees for credit card transactions. Existing payment portal customers are being contacted about the change as they will need to create a new account to use the new features. A bill insert ran in June bills detailing the new options.

Staff has been working with the Federal Emergency Management Agency (FEMA) on five compensation requests related to damaged utilities caused by Tropical Storm Michael in October, 2018. FEMA has approved $63,643 in reimbursements for emergency and restoration work completed by the Authority in the days after the storm.

Staff provided a summary of actions requested by customers to their utility accounts in May. By far, service transfer requests, which include stops, starts, transfers to new locations, etc., are the largest category of calls or emails.

The City of Roanoke's Transportation division recently changed the City's Utility Restoration Standards. These rules govern how pavement is to be restored in City Rights-of-Way (ROW). A discussion took place regarding how this change will impact the Authority’s capital construction costs.

Regional Efforts / Outreach

Virginia Tech's Dr. Cayelan Carey and Smart and Connected Communities grant representatives from the University of Wisconsin-Madison, University of Sydney, the University of Florida and North Carolina State University shared their current reservoir research with Authority staff during a poster session in early June. The water quality research informs the Authority's use of oxygenation, looks at predicting lake turnover and algal blooms, and tells more about the reservoirs' water quality in order to continue to improve efficiency.
Staff has been discussing with representatives from Virginia’s Blue Ridge the logistics of hosting an IRONMAN event in the Roanoke area. Virginia’s Blue Ridge and IRONMAN are prepared to sign a contract to have the first event take place June 7, 2020; however, both entities are in agreement that this event should take place each June for three consecutive years. A discussion took place regarding benefits and drawbacks of hosting the IRONMAN event. A detailed agreement between the Authority and the IRONMAN organization will be brought to the Board for review and a vote.

The Authority hosted the Cogsdale Regional User Conference on May 9th. Attendees included Cogsdale staff and representatives from other Cogsdale clients.

FINANCIAL REPORT FOR THE MONTH OF MAY 2019: Mr. Robertson noted that year-to-date, May 2019 represented 91% 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 88% and 91%, respectively, of budget. Retail revenues for the Water fund were 87% and WPC fund were 89%. Non-operating revenues for Water were 125% and WPC were 117% 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 84% and WPC were 82%. The Operating Margins for Water and WPC were 92% and 103%. Combined Operating Margin was 97%. The Water system has paid 101% of budgeted interest expense and 100% of principal payments. WPC has paid 100% of interest expense and 100% of principal payments.

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

1. Research and Consultation with State Corporation Commission on Petition Process; and
2. Memorandum of Understanding with Carilion Clinic.

REPORT FROM COMMITTEE CHAIRS: None

Mr. McEvoy shared that Mr. O’Donnell and Mr. Cowell were both reappointed to the Board for another four-year term.

REVIEW OF STRATEGIC PLAN ACCOMPLISHMENTS FOR FY 2019: Mr. McEvoy noted that a copy of the Strategic Plan Accomplishments for FY19 was provided to each of the Board members at the beginning of the meeting. The accomplishments will be reviewed at the July Board meeting. Mr. McEvoy also pointed out that due to Mr. Robertson’s retirement in August, a new Strategic Plan will be created to accommodate the management changes.
CITIZENS COMMENTS: None

BOARD MEMBER COMMENTS: Mr. Cowell thanked Mr. McEvoy, Mr. Robertson and the Authority staff that attended a joint meeting between the Roanoke City Council and the Roanoke School Board at which time the Authority staff provided a presentation on the apprenticeship program.

At 5:23 p.m. Mr. Hancock declared a recess until the 5:30 p.m. Public Hearing.

PUBLIC MEETING:

At 5:30 p.m., Mr. Hancock declared the Public Hearing open on Proposed Rates and Fees for Calendar Year 2020 and Budget for Fiscal Year 2020.

CITIZENS COMMENTS: None

RATES AND FEE SCHEDULE FOR CALENDAR YEAR 2020: Mrs. Lawfield presented the proposed rates and fee schedule for calendar year 2020. A copy of this report in its entirety is filed with the approved minutes.

Mr. Hancock closed the Public Hearing at 5:32 p.m.

ADOPTION OF RATES AND FEE SCHEDULE FOR CALENDAR YEAR 2020: Resolution No. 381 was brought before the Board. Ms. Holland moved to accept Resolution No. 381 and Mr. O'Donnell seconded approval of the Resolution. Resolution No. 381 was adopted by the following roll call vote:

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

NAYS: None

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NAYS: None

ADOPTION OF BUDGET FOR FISCAL YEAR 2020: Resolution No. 382 was brought before the Board. Mr. Brookins moved to adopt Resolution No. 382, and Mr. Cowell seconded approval of the Resolution. Resolution No. 382 was adopted by the following roll call vote:

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

NAYS: None
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OTHER BUSINESS: None

Mr. Hancock adjourned the meeting at 5:33 p.m.
APPROVED: July 18, 2019

Gayle Shrewsbury, Secretary
WVWA Board of Directors