



Western Virginia Water Authority
Board Meeting Agenda
601 S. Jefferson St., 2nd Floor, Board Room
March 19, 2026 3:00 p.m.

Access to the complete meeting packet, along with a link to view the meeting remotely, is available on the Authority's website at www.westernvawater.org/about-us/board-of-directors. Comments or questions from the public should be sent to the Authority's Freedom of Information Act Officer Sarah Baumgardner at sarah.baumgardner@westernvawater.org / telephone numbers 540-283-2905 (o) 540-915-1868 (c) or Board Secretary Gayle Shrewsbury at gayle.shrewsbury@westernvawater.org / telephone number 540-283-2906. Requests must be submitted prior to the start of the meeting.

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| 1) | Call to Order – <u>Board Chair Mr. Loveman</u> | 3:00 p.m. |
| 2) | Approval of Minutes | 3:02 p.m. |
| | a) February 19, 2026 Compensation Committee Meeting | |
| | b) February 19, 2026 Board Meeting | |
| 3) | Citizens comments | 3:05 p.m. |
| 4) | Communication from Executive Director - <u>Mr. McEvoy</u>
Executive Director Report for February 2026 | 3:35 p.m. |
| 5) | Financial Reports – <u>Ms. Lawfield</u> | 3:45 p.m. |
| | a) Board Communication-Financial Report for February 2026 | |
| | b) Operations Statement-Water Fund – February 2026 | |
| | c) Operations Statement-Water Pollution Control Fund – February 2026 | |
| | d) Operations Statement-Combined – February 2026 | |
| 6) | Report from Authority Counsel – <u>Mr. Carroll</u> | 3:50 p.m. |
| 7) | FY 2027 Budget Development – Revenues, Rates and Expenses – <u>Staff</u> | 4:00 p.m. |
| | a) Board Report | |
| | b) PowerPoint | |
| 8) | Closed Session pursuant to Virginia Code §§ 2.2-3711(A)(1) for discussions concerning the assignment and performance of specific public employees; 2.2-3711(A)(7) for consultation with legal counsel and briefings by staff members pertaining to actual or probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the public body; 2.2-3711(A)(8) for consultation with legal counsel employed by the Authority regarding specific legal matters requiring the provision of legal advice by such counsel; and 2.2-3711(A)(29) for discussion of the award of a public contract, and the terms and scope of such contract, where discussion in an open session would adversely affect the Authority's bargaining position or negotiating strategy. | 4:40 p.m. |
| 9) | Comments from Board Members | 4:55 p.m. |
| 10) | Other Business | 4:57 p.m. |
| 11) | Adjourn – <u>Board Chair Mr. Loveman</u> | 5:00 p.m. |

MINUTES OF THE COMPENSATION COMMITTEE OF THE
WESTERN VIRGINIA WATER AUTHORITY
February 19, 2026

A Meeting of the Compensation Committee of the Western Virginia Water Authority (Authority) met on Thursday, February 19, 2026 in the Board Breakout Room at 601 S. Jefferson Street, Roanoke, Virginia. Committee Chair Hunter Young called the meeting to order at 2:00 p.m.

ROLL CALL:

REMOTE: Committee Members Hunter Young, Harvey Brookins, Richard Caywood, Shirley Holland - 4

ABSENT: Committee Member None ----- 0

OTHERS PRESENT: Mike McEvoy, Executive Director; Neil Norris, Director of Human Resources; Jeremy Carroll, Counsel for the Authority, and Gayle Shrewsbury, Secretary.

DISCUSSION OF PROPOSED CAREGIVER LEAVE BENEFIT: Mr. Norris presented two pending Virginia General Assembly bills: SB2 – Paid Family/Medical Leave and HB5 – Paid Sick Leave. Mr. McEvoy noted that Authority staff had developed an internal caregiver leave benefit for employees, but implementation is on hold pending the outcome of the bills. The matter will be revisited in May after the General Assembly votes. Budgetary funds will be reserved as a placeholder for the applicable leave option. Copies of the handouts are attached to the approved minutes.

Mr. McEvoy noted that a bill is pending which would lift the current prohibition on local government employees forming or joining a union.

DISCUSSION OF PROPOSED FY27 BUDGET PROPOSALS FOR COMPENSATION AND BENEFITS: Mr. Norris shared that a budget placeholder of 3% was put in place for proposed salary increases. A 4% increase on medical premiums is predicted with a 10% increase for dental premiums.

CLOSED SESSION: At 2:30 p.m. Mr. Brookins made a motion to go into Closed session for the purpose of discussion and consideration of assignment, appointment, performance, and/or resignation of the Executive Director, in accordance with Virginia Code Section 2.2-3711. A 1.

Mr. Carroll requested for the motion to be amended to include “other Senior Executive Staff” as well. Mr. Caywood seconded the motion as amended. It was approved by the following roll call vote:

AYES: Brookins, Caywood, Holland, Young ----- 4

NAYS: ----- 0

On a motion by Mr. Brookins, and seconded by Mr. Young, the Board returned to open once approved by unanimous voice vote.

CERTIFICATION OF CLOSED MEETING: Mr. Caywood moved for a roll call vote certifying that to the best of each member’s knowledge: (i) only public business matters lawfully exempted from open meeting requirements under the Virginia Freedom of Information Act and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed, or considered in the closed meeting. It was seconded by Mr. Brookins and approved by the following roll call vote:

AYES: Brookins, Caywood, Holland, Young ----- 4

NAYS: ----- 0

Mr. Young adjourned the meeting at 2:56 p.m.

2.b

WESTERN VIRGINIA WATER AUTHORITY
MINUTES OF BOARD MEETING
February 19, 2026

The Board of the Western Virginia Water Authority (WVWA) met on Thursday, February 19, 2026 in the Board Room at 601 S. Jefferson Street, Roanoke, Virginia. Board Chair Mike Loveman called the meeting to order at 3:02 p.m.

BOARD ROLL CALL:

PRESENT: Michael Loveman, Harvey Brookins, Richard Caywood, Don Halliwill, Randall Hancock, Shirley Holland, Valmarie Turner and Hunter Young ----- 8

ABSENT: ----- 0

Mr. Halliwill participated remotely while traveling for work on Interstate 81.

Mr. Hancock moved to approve the remote attendance of Mr. Halliwill. Mr. Brookins seconded the motion and it was approved by voice vote.

STAFF PRESENT IN PERSON:

Mike McEvoy, Executive Director; Scott Shirley, Chief Operating Officer Water Quality; Leana Stoltz, Chief Operating Officer Customer Operations; Tammy Lawfield, Director of Finance; Gayle Shrewsbury, Board Secretary; Bryan Thompson, Spec Conservator of Peace; Sarah Baumgardner, Director of Public Relations; and Smriti Sinha, Program Manager IT.

STAFF PRESENT VIA VIDEO CONFERENCE:

Scott Kroll, Director of Infrastructure Development; Michelle Caruthers, Director of Plant Operations; Jennifer Meeks, Assistant Director of Finance; Jamie Morris, Capital Projects Manager; Laura Schirmer, Public Relations Specialist; Eric Powers, Water Production Manager; Mackenzie Wilcox, Recruitment, Retention and DEI Coordinator; Robyn Tuck, Assistant Director of Risk Management and HR; Chris Carey, Utility Construction Manager; Rachel Ramsey, Assistant Director of CS/Billing; David Barnhart, Assistant Director of Engineering; Joyce Zhu, Prog Manager-Planning & Asset Management; Joel Bostic, Water Quality Asset Management Strategist; Joseph Arthur, Project Manager Engineering; Kathleen Johnson, Program Manager CS/Billing Ops; Neil Norris, Director of Human Resources; Theresa Bell, Customer Relation Call Center Manager; Wesley Palmer, Capital Improvement Project Lead; Tom Powers, Capital Improvement Project Lead; and Trent Cox, Deputy Chief Operating Officer Customer Operations.

OTHERS PRESENT:

Jeremy Carroll, Counsel for the Authority.

Guests in person: Courtney Foxe.

Guests via video conference: Brandon Flora, Whitman, Requardt & Associates, LLP; “Brianna”; “WAJF”; and “TC”.

APPROVAL OF MINUTES: Mr. Hancock moved approval of the January 15, 2026 Board meeting minutes and Ms. Holland seconded the motion. The minutes were approved by voice vote.

Ms. Turner joined the meeting at 3:07 PM.

CITIZENS COMMENTS: None.

COMMUNICATION FROM EXECUTIVE DIRECTOR FOR THE MONTH OF JANUARY 2026:

Mr. McEvoy gave a summary of the August Executive Director’s report which included: Customer Operations, Water Quality Operations, Administration/Engineering, and Regional Efforts/Outreach. A copy of this report in its entirety is filed with the approved minutes.

- ~ Authority Staff are providing an Open House on March 10 at Green Ridge Recreation Center focusing on water supply, data center interest, and recruitment.
- ~ A biosolids legislation compromise bill advancing in General Assembly; potential restrictions could significantly increase costs if land application is limited.
- ~ High number of water main breaks due to extreme cold; crews responded effectively. Reservoir levels improving with recent rain.
- ~ Spring Hollow filter failure under repair; Beaver Dam upgrades nearly complete; new meeting room ready by early summer.
- ~ Staff plans to add a new water crew next fiscal year; \$500K in unpaid bills submitted through state debt setoff program.
- ~ Strong apprenticeship interest; communications team received industry award.
- ~ Wastewater capacity expanding at Summit View and Westlake to support ongoing growth.

FINANCIAL REPORTS FOR THE MONTH OF JANUARY 2026: Ms. Lawfield noted that year-to-date January 2026 represented 58% of the fiscal year. A copy of this report in its entirety is attached to the approved minutes. Here follows a summary of the report:

Operating revenues for the Water and WPC funds were 63% and 57%, respectively, of budget. Retail revenues for both the Water fund and WPC fund were 58%. Non-operating revenues for Water were 148% and WPC were 88% 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 52% and WPC were 55%. The Operating Margins for Water and WPC were 83% and 62%. Combined Operating Margin was 72%. The Water system has paid 52% of budgeted interest expense and 93% of principal payments. WPC has paid 56% of interest expense and 67% of principal payments.

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

1. Acquisition of Ferrum Water and Sewage Authority (“FWSA”) System;
2. Acquisition of Bridgewater Pointe Wastewater System;
3. FOIA Matter;
4. New Hope Church;
5. Wallace Avenue; and
6. Miscellaneous Issues;

Reviewing potential caregiver leave benefit

REPORT FROM COMMITTEE CHAIRS: Mr. Young, Compensation Committee Chair, shared that proposed employee caregiver leave benefit is on hold until outcome of pending VA legislation on paid family/medical and sick leave. The Compensation committee will revisit the issue next month.

REVIEW OF OPERATIONAL PERFORMANCE MEASURES: Mr. Shirley presented a report reviewing Operational Performance Measures for water and wastewater operations. Ms. Stoltz presented a report reviewing Operational Performance Measures for customer operations. A copy of this report is attached to the approved minutes.

A break-down of customer disconnections by zip code will be provided in the March packet.

Mr. McEvoy informed the board that the March meeting will focus on revenues, rates, and expenses, and regular reports will be omitted.

COMMENTS FROM BOARD MEMBERS: Ms. Holland inquired whether the RAFTELIS report would be discussed, and Mr. McEvoy confirmed it is scheduled for the March meeting agenda.

Mr. Loveman commended staff for the thoroughness of the packet.

Mr. Hancock thanked Mr. McEvoy for his attendance at the recent community meeting regarding the data center. Mr. McEvoy shared that an open house is planned for March which will include information for those with questions about the data center.

Mr. McEvoy responded to the question regarding whether studies or design efforts are underway for the data center project. He explained that preliminary results from consultants related to water supply planning are beginning to be received, and by summer the Authority may be able to share findings. Mr. McEvoy also noted that design work for water delivery from Carvins Cove is ongoing and is nearing a client decision point concerning construction management.

OTHER BUSINESS:

The Authority is getting an increase in FOIA requests.

Mr. Loveman adjourned the Board meeting at 4:30 p.m.

BOARD MEETING OF THE WESTERN VIRGINIA WATER AUTHORITY

MEETING DATE: March 19, 2026
COMMUNICATION: Executive Director’s Report – February 2026
SUBMITTED BY: Michael McEvoy, Executive Director

SUMMARY OF INFORMATION:

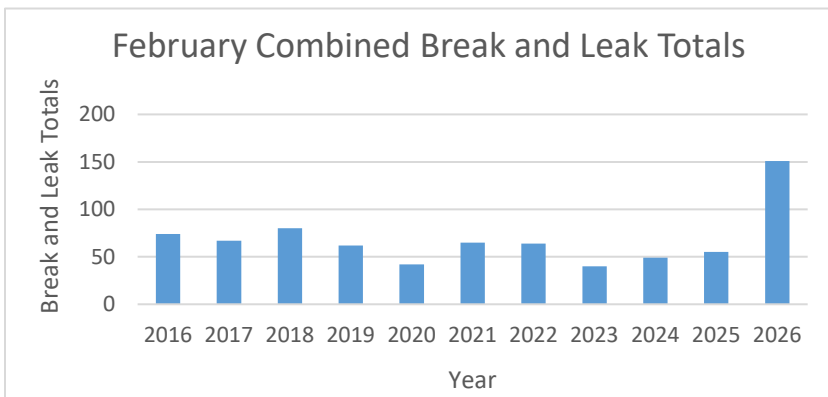
This report contains information about the Authority’s operations for February 2026. Financial data for the month is presented in a separate agenda item.

Sarah Baumgardner has been selected as the recipient of the 2026 AWWA Public Communications Award for an individual working for a utility serving more than 25,000 service connections. This award recognizes individual AWWA members for fostering and supporting the development of public outreach programs and integrating public affairs as a core element of utility planning and management. Congratulations Sarah!

Customer Operations

Similar to January, Field Operations sewer staff again assisted with the record number of water breaks throughout February. They did, however, also respond to 96 customer calls related to sewer concerns which was a 17% decrease compared to January’s total of 116 sewer-related calls. The rainfall total for the Roanoke area in February was much lower than February 2025 with only 2.0 inches compared to 6.0 inches last year. This resulted in zero wet weather sewer overflows. Staff recorded five dry weather overflows for the month.

Freezing temperatures carried over from January into February which kept Field Operations crews busy with water main breaks and leaks. By the middle of February, the temperatures finally warmed up, and the pipe repairs slowed down. However, the resulting number of water breaks and leaks led to a new record total for the month of February of 151 breaks and leaks which is also the third highest month on record overall for any month. As shown in the associated chart, February 2026 had almost twice as many break and leaks compared to any other February in the past ten years.



other February in the past ten years. The 151 total included 117 main break and 34 service leak repairs. Only ten of the repairs were scheduled as the remaining 141 were performed as emergencies. January and February historically have been the two winter months with the most water breaks and leaks.

Prior to this year, January and February of 2018 experienced the most breaks and leaks on record with 269, but the 279 breaks and leaks over the past two months set a new record.

The most significant repair during February occurred under a bridge abutment on a 12-inch ductile-iron main installed inside a cast-iron sleeve. The abutment was located on the west side of the Brandon Avenue Bridge above Route 220/I-581. It was evident after the repair that dissimilar metal corrosion was the cause due to direct contact between the pipe and casing. The leak caused water to flow out of the abutment and along the steel bridge girders which allowed water to fall on the highway below which was impacting traffic, requiring a shut down and emergency repair. Because the water main across the Main Street Bridge is out of service due to bridge construction, the main across the Brandon Avenue bridge is critical to feeding the Towers Shopping Center and Colonial Avenue area.



12-inch watermain break from west side abutment under Brandon Avenue Bridge over Rte. 220/I-581

Water Quality staff did an amazing job to temporarily supplement the distribution system from a neighboring higher-pressure zone during the eight hours necessary to make the repair. Field Operations was assisted by a contractor, EC Pace, relying on their experience with bridge construction which was extremely useful given the complexity of the work. First, the concrete bridge approach slab had to be cut and excavated. This was a time-consuming exercise as it contained two layers of rebar matting, one with 1-3/8" diameter (#11) bars. After removing the rebar and getting to the pipe, the pipe was cut under the slab, as well as under the bridge outside the abutment in order to remove the corroded section of pipe. A new piece was sleeved back in and the contractor installed a rubber gasket between the two metals to prevent corrosion from occurring in the future. All of this work occurred from approximately 6 pm on February 12th to 2 am on February 13th, which was an impressive feat considering the unique challenges involved in working with the bridge components. Staff are exploring the option to have a contractor CIPP line the full section of water main across the bridge span to ensure no further emergency repairs are required in the near future.



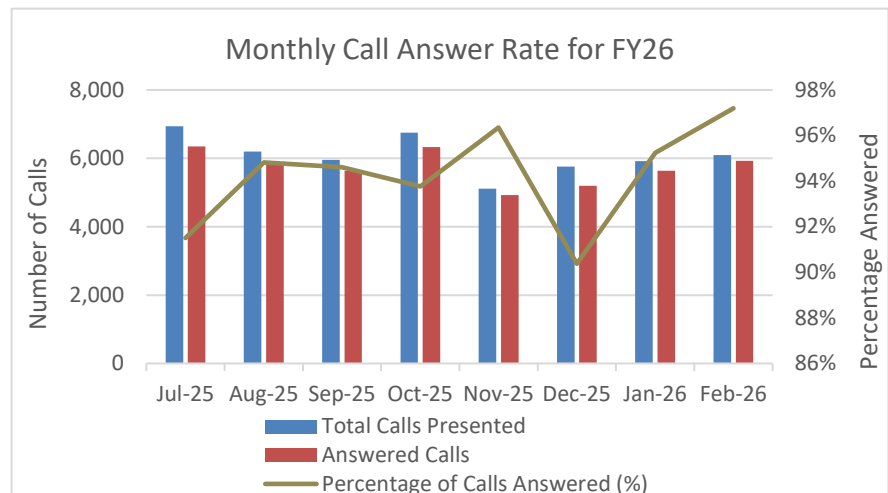
Replaced portion of 12-inch ductile-iron pipe under approach slab and through bridge abutment

As in past years, Field Operations continues to manage the annual cured-in-place pipe (CIPP) lining contract which targets sewer mains with potential infiltration and inflow (I&I). The process includes the contractor installing a watertight liner inside the sewer main with end seals at each manhole to prevent the I&I from entering the sewer system. Last fiscal year, Field Operations worked with the procured contractor, Visu-Sewer, to have 21,500 LF of sewer main lined. This year the planned quantity increased to 32,360 LF with most of the sewer mains being 8-inch diameter, along with a small portion of 10-inch and 12-inch. This will be the most sewer lining to be performed to date. The Contractor began their lining work in late January and has already installed a total of 10,250 LF. The lining work is expected to be completed in early spring.

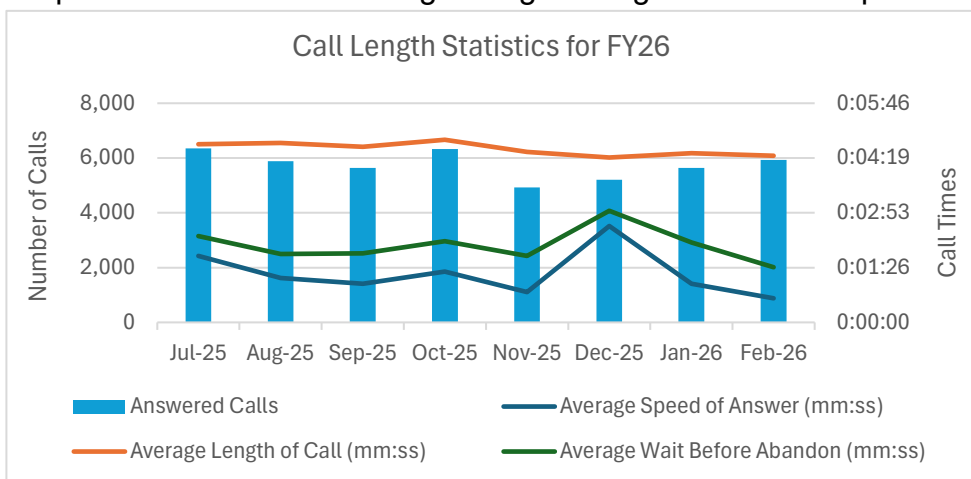


Visu-Sewer set up at a manhole installing a cured-in-place liner in the sewer main

Customer Service had the highest call answer rate thus far in FY26 with 97.2% of calls answered while also having the fastest average speed to answer calls. The Average Wait Time in February was only 38 seconds. The chart to the right shows the call answer rate compared to calls received for FY26. December 2025 call statistics were impacted by vacant positions in the Call Center including the Call Center Manager position.



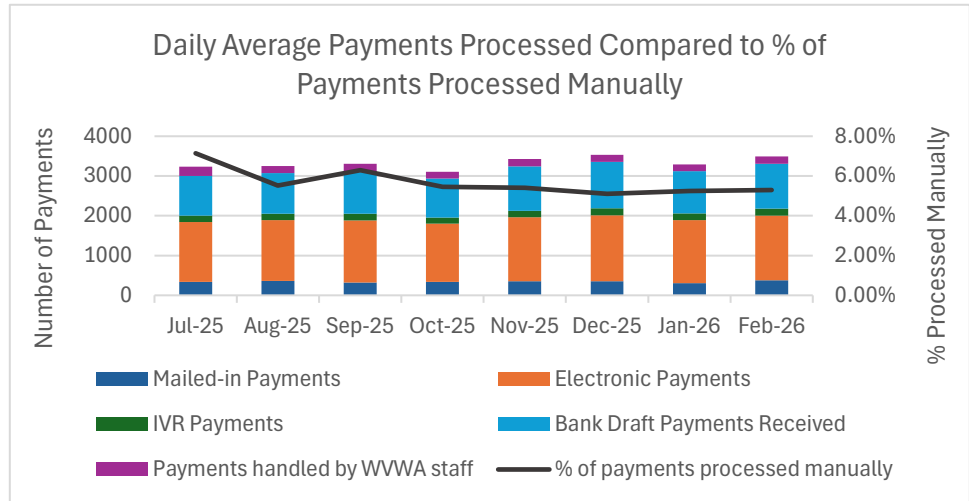
The manager position was filled with an existing employee who previously was a Call Center Supervisor before transferring to Engineering Services. The positive impact she is having in the



Call Center is reflected in the February statistics. The chart to the left shows that the third highest number of calls in FY26 was answered in February but the call length times for Average speed to Answer and Average Wait before Abandon was the lowest for FY26.

The second highest daily average number of payments was processed by Collections staff in February with 5.3% of the payments processed manually.

The associated chart shows the daily average of payments processed per month in FY26 and highlights electronic payments as the leading payment method followed by automatic drafted payment.

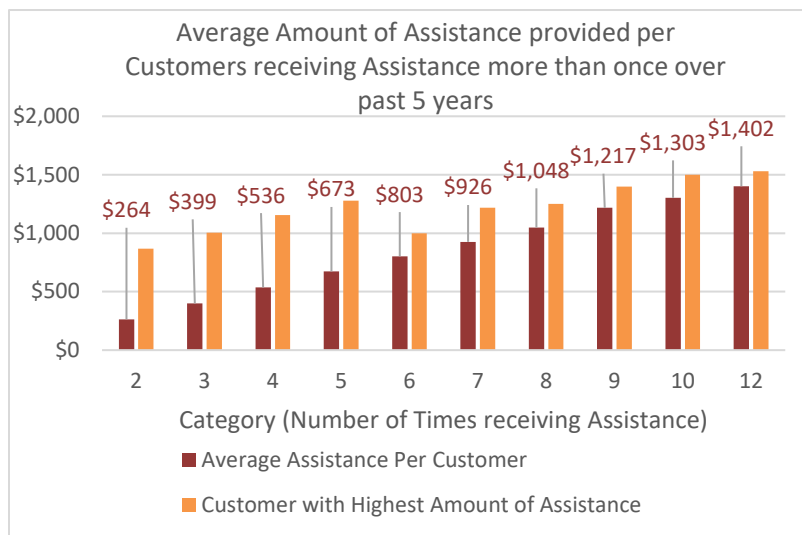


During February, 109 customers received financial assistance from Authority Cares in the amount of \$15,607.94 and the Authority Cares fund balance increased to \$151,000 at the end of month.

As part of budget preparation, staff conducted an analysis of the distribution of financial assistance provided over the past five years (\$1,195,331). This worked showed that 2,554 of the 4,602 customers who received financial assistance only received help one time. The amount of assistance provided to these customers totaled \$338,766.



The chart to the top right categorizes the number of times a customer received assistance over the five-year period more than on time and for each category shows the number of customers in that category receiving financial assistance as well as the total amount of assistance provided to customers in the category. The bottom chart to the right shows the average amount of assistance provided to customers in each category compared to the customer who received the highest amount of assistance in each category.



The current policy is to provide Authority Cares assistance of up to \$150 two times a year.

An analysis of customers disconnected for nonpayment by ZIP Code in 2025 showed that the majority of the disconnects occurred in ZIP Codes with customers located in the City of Roanoke. The ZIP Code with the most service disconnections was 24017 with 1,068 disconnects resulting in one in seven customers being disconnected for nonpayment. This ZIP Code, however, also had the highest ratio for customers receiving financial assistance with one in 13 customers receiving assistance. During 2025, \$245,342.56 of Authority Cares funds were applied to customer accounts and 33.4% of the funds we applied to customers in ZIP Code 24017. ZIP Codes 24013 and 24016 had the second highest disconnect ratio with one in eight customers disconnected but one in 14 and one in 16 customers respectively received financial assistance in these ZIP Codes. The detail for each ZIP Code is in the table below which lists the ratios of customers within each ZIP Code being disconnected for nonpayments and customers within the ZIP Code receiving financial assistance:

ZIP Code Area	Residential Accounts in ZIP Code	Number of Customers Disconnected	Customer Disconnect Ratio	Financial Assistance Ratio
24011 - ROANOKE	22	1	1:22	0
24012 - NE and NW CITY, BONSAK	9681	775	1:12	1:36
24013 - SE ROANOKE CITY	2954	389	1:8	1:14
24014 - SW and SE CITY, GARDEN CITY	5768	279	1:21	1:67
24015 - SW CITY, GRANDIN RD	5738	221	1:25	1:76
24016 - SW and NW CITY	2733	325	1:8	1:16
24017 - NW CITY, MELROSE	7706	1068	1:7	1:13
24018 - SW COUNTY, CAVE SPRING	10339	334	1:31	1:145
24019 - NW and NE CITY, COUNTY, HOLLINS	9121	381	1:24	1:78
24055 - BASSETT	23	0	0	0
24065 - BOONES MILL	205	16	1:12	1:51
24077 - CLOVERDALE	359	0	0	0
24083 - DALEVILLE	1331	20	1:67	1:190
24085 - EAGLE ROCK	181	9	1:18	1:181
24088- FERRUM	151	9	1:17	1:30
24101 - HARDY	429	3	1:143	0
24121 - MONETA	1665	10	1:151	0
24137 - PENHOOK	416	1	1:416	0
24151 - ROCKY MOUNT	136	8	1:17	0
24153 - SALEM	2736	68	1:40	1:144
24175 - TROUTVILLE	409	5	1:82	0
24176 - UNION HALL	492	3	1:164	0
24179 - VINTON	4921	265	1:19	1:59
24184 - WIRTZ	251	0	0	0

Water Quality Operations

The benefits from prior frozen precipitation melt and new rainfall were experienced by the region in February. The combination of snow melt and new rainfall allowed the addition of 403.20 MG into Spring Hollow Reservoir in February. At Carvins Cove, stream flows allowed the Catawba tunnel to be active all 28 days and the Tinker tunnel 14 out of 28 days in February.

Figure 1: NOAA Drought Monitoring Map

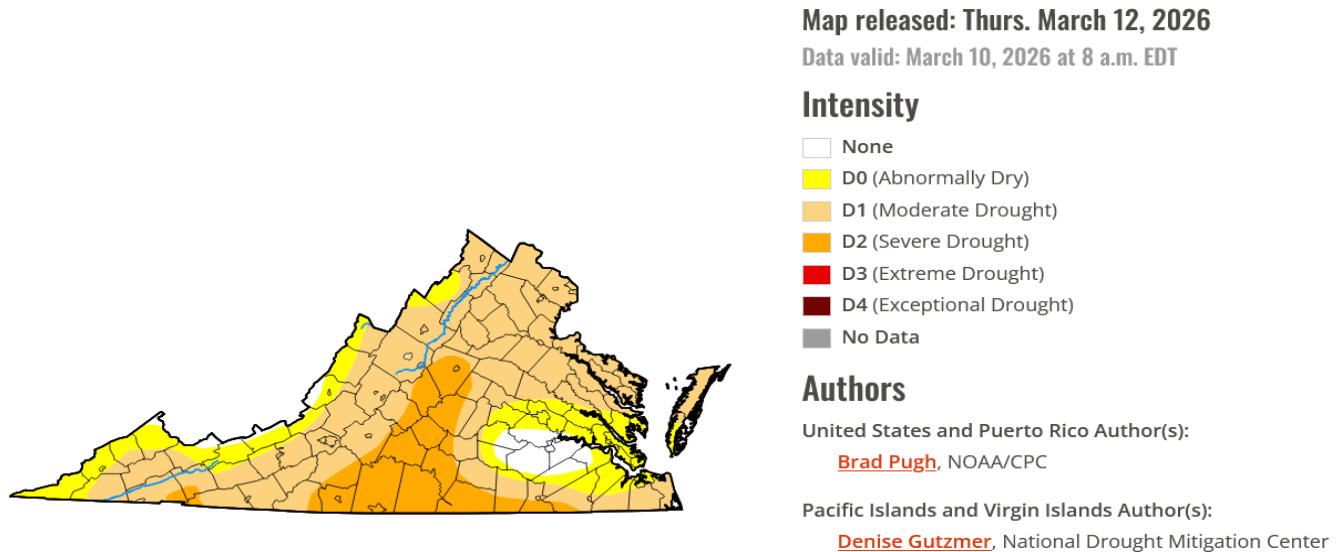


Table 1: Reservoir Water Supply Projections

Carvins Cove Reservoir			
Reservoir Level	Gallons of Water Remaining	% of Water Remaining	Days of Water Remaining (8MGD)
1160.0	4,898,560,000	75.7%	510

Spring Hollow Reservoir			
Reservoir Level	Gallons of Water Remaining	% of Water Remaining	Days of Water Remaining (5 MGD)
1394.9	2,504,742,306	81%	501

Table 2: Production by Source

February 2026

Source	Avg. Daily (MGD)	Total (MG)
Carvins Cove	11.6	324.97
Spring Hollow	4.78	133.8
Crystal Spring	3.70	103.6
Muse Spring	0.99	27.7
Falling Creek	0.0	0.0
Roanoke Wells	1.50	41.98
Franklin Wells	0.50	14.67
Botetourt Wells	0.058	1.64
Total	23.13	648.56

Testing of the finished water for HFPO-DA at Spring Hollow has continued and is regularly posted to the Authority website for the public. The average concentration in finished water in 2026 to date is 0.54. The Roanoke River continues to be monitored by weekly grab samples with all sample results continuing to be non-detect for HFPO-DA. The success in controlling the original source and protecting the Roanoke River has been well documented with several years of weekly sampling data and with the most recent settlement requiring regular reports that supplement source water protection, the frequency of sampling events will be reduced. If any unusual laboratory results occur, the frequency will be increased.

The Chemours settlement benefits cease at the end of May 2026. An order has been placed with Calgon Carbon for \$408,500 for GAC replacement in two of the three contactors in late April. This will be the final reimbursement payment from Chemours. The latest raw water reservoir sample indicated a HFPO-DA (GEN-X) concentration of 3.2 ppt.

The Roanoke Regional Water Pollution Control Plant (WPCP) average daily flow increased significantly in February to 34.5 MGD compared to the 25.4 MGD of flow in January. The WPCP treatment removed 142,967 pounds of pollution per day for February.

The wastewater laboratory completed 3,922 total tests, with the majority performed for the Roanoke Regional Water Pollution Control Plant. Additional testing supported satellite treatment facilities in Fincastle, Lake Watch, Westlake, Wirtz, and Boones Mill. All required parameters were reported on schedule, and quality control standards were maintained throughout the month.

The drinking water laboratory analyzed 258 bacteriological samples along with routine water quality parameters, including pH, hardness, fluoride, alkalinity, iron, manganese, orthophosphate, and turbidity. October bacteriological results were successfully submitted to CMDP.

The Environmental Programs team completed the annual State and Federal Biosolids reporting in February as well as assisting in the completion and submission of the biennial air permitting reports for the Regional WPCP and Spring Hollow. Water and Wastewater staff completed the annual Tier II reporting for bulk chemicals at treatment facilities.

The Authority hosted a DEQ Activated Sludge training class at the WPCP. Operators from all regions of the Commonwealth were taught how to analyze the condition of their activated sludge on a microscopic level. Each participant was able learn the basic operation of microscopes and how to identify the indicator organisms present in wastewater through various staining techniques and magnification. This information helps to bridge the gap between operations and laboratory results, enabling the operators to better understand the data when received to make the correct adjustments to their treatment process.

The WPCP Maintenance Building Roof Replacement has been completed. This building had a roof leak that needed to be addressed. The successful low bidder was AAR of North Carolina, Inc. at a cost of \$251,300.00.

Thompson and Litton has been issued a task order to provide a design and a bid package for upgrading the Westlake WPCP and the drainfield. The kick-off meeting will be held in March.

Authority staff have been engaged in discussions with Virginia Department of Health (VDH) and customers of two privately owned water systems in Franklin County along Smith Mountain Lake. Idlewood Shores is a small waterworks serving 40+ customers. The waterworks has been issued violations and warning letters from VDH, as well as an Administrative Order from EPA. VDH has limited "Equitable Access to Drinking Water Funds", and recently, have indicated they may have additional ARPA funds to assist with making the necessary upgrades to the water system. Pelican Point is a waterworks serving a Marina and approximately 10 residential customers. The owner of Pelican Point recently notified the residential customers that they will cease providing water in September 2026. VDH is investigating funding options. The system is roughly 550 feet for the Authority's Dillard's Hill waterworks.

Authority dams require extensive annual surveys and required permit activities by the Virginia Department of Conservation. The annual report on the Spring Hollow Dam was received and is under review. The Spring Hollow dam is a roller compacted concrete dam which requires additional monitoring compared to concrete gravity dams such as Carvins Cove.



Beaverdam Creek Dam Upgrades are nearly finished. The substantial completion walk-through is scheduled for March 13th. GEI Consultants are working on a proposal for a set of plans to install a sluice gate on the upstream side of the reservoir outlet pipe. It will have a mechanical operator located on the crest of the dam. This will eliminate the need to access the intake structure by boat to operate the drawdown valves.

Upgrades at the Crystal Spring WTF involve converting the chlorine gas feed system to a sodium hypochlorite feed system, upgrading the end-of-life membrane filtration treatment units, and the addition of a back-up generator. The Authority's consultant, Brown and Caldwell, has completed a preliminary engineering report (PER) that will be shared with VDH for a permitting discussion. A new task for design and construction administration services is being finalized with Brown and Caldwell. The design and completion of Owner-procured equipment should occur during FY27. Construction will bid in FY28.

Preliminary work continues on the Smokey Ridge Pump Station relocation. This is a small pump station whose building is sliding due to ground instability at the current location. Lumsden and Associates are providing a proposal for a set of plans for the site work, the building, and the waterline work. A pre-cast building is being proposed. The crane operator visited the site and confirmed that placing the pre-cast building at the planned location is viable.

Walnut Run is a small community system consisting of two wells that have underproduced during dry events. This project is to drill a third well to supplement the community water supply. The first well that was drilled back in the fall did not hit water. The pre-bid for this attempt is being held on March 9th.

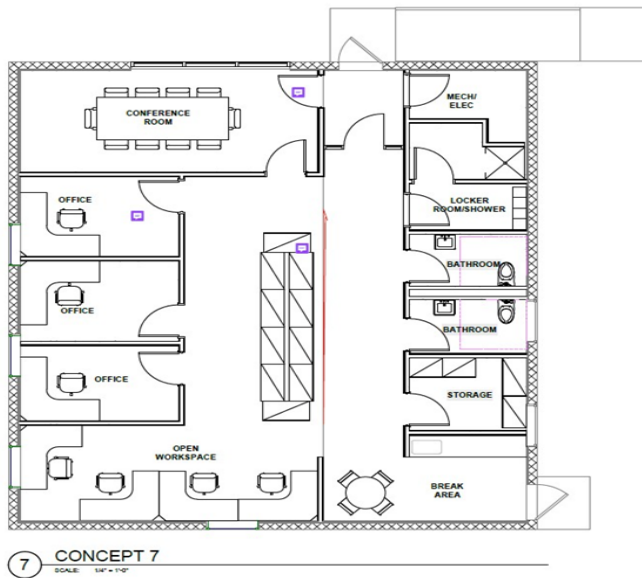
Eastern Tank and Utility Services is the contractor for the Ferrum Water Treatment Facility Upgrade. The project is nearing completion. A substantial walk-through will be held the week of March 23rd. Additional valve and meter replacement will also be undertaken.



BEFORE



AFTER



Botetourt Greenfield Operations Building Renovation. This project consists of adding office space and other upgrades to the existing facility. Wiley Wilson was contracted to provide a feasibility layout study for the current site. The second round of concepts was offered in February. Authority staff are discussing the newly proposed concepts. Design plans will be completed under a different task order.

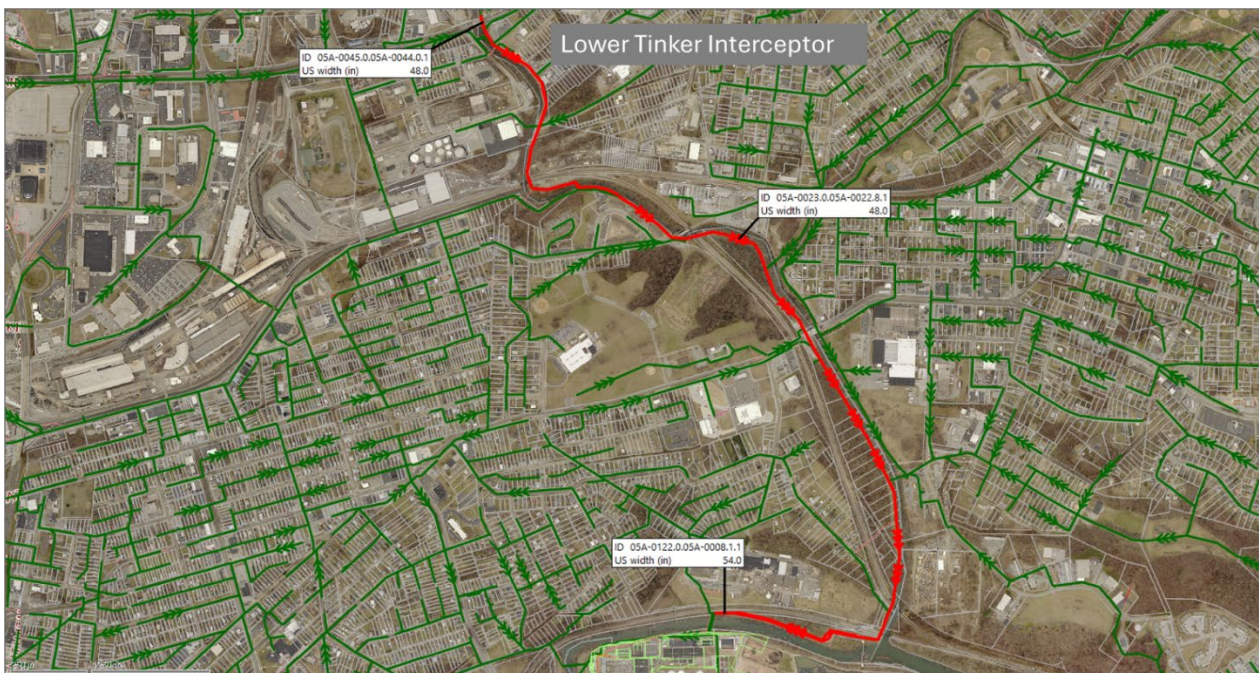
Coulter Building Board Room. This project involves converting the customer service lobby on the first floor of the Coulter building into a new Board room. The drywall has been hung and painted. The project is currently on schedule. The furniture has been ordered. The A/V equipment procurement is progressing.



Vinton Well PFAS Treatment Project is under design. Three Vinton wells have low concentrations of PFOS, which is a regulated compound within the PFAS family. Dewberry provided a draft technical memo with construction cost estimates. The draft tech memo was presented on February 6th. The information provided has been considered and will be reflected in the Capital projects budgeting presentation.

Administration, Engineering

Engineering Services staff recently completed contracted field work associated with condition assessment inspections for large-diameter sewers and are waiting on a final report. The project completed inspection of 17,940 linear feet of large-diameter sewer main ranging from 36 to 54 inches in diameter. The surveyed segments are located within the Lower Tinker Interceptor and Downtown Interceptor, which were prioritized based on operational insights and historical asset condition data. Due to their size, depth and capacity, large diameter sewers require specialized inspection methods to properly evaluate their structural and operational condition. While traditional closed-circuit television (CCTV) adequately provides visual observations of pipe conditions above the sewer flowline, CCTVs are limited in their ability to quantify structural deformation, corrosion, and conditions below the flowline.



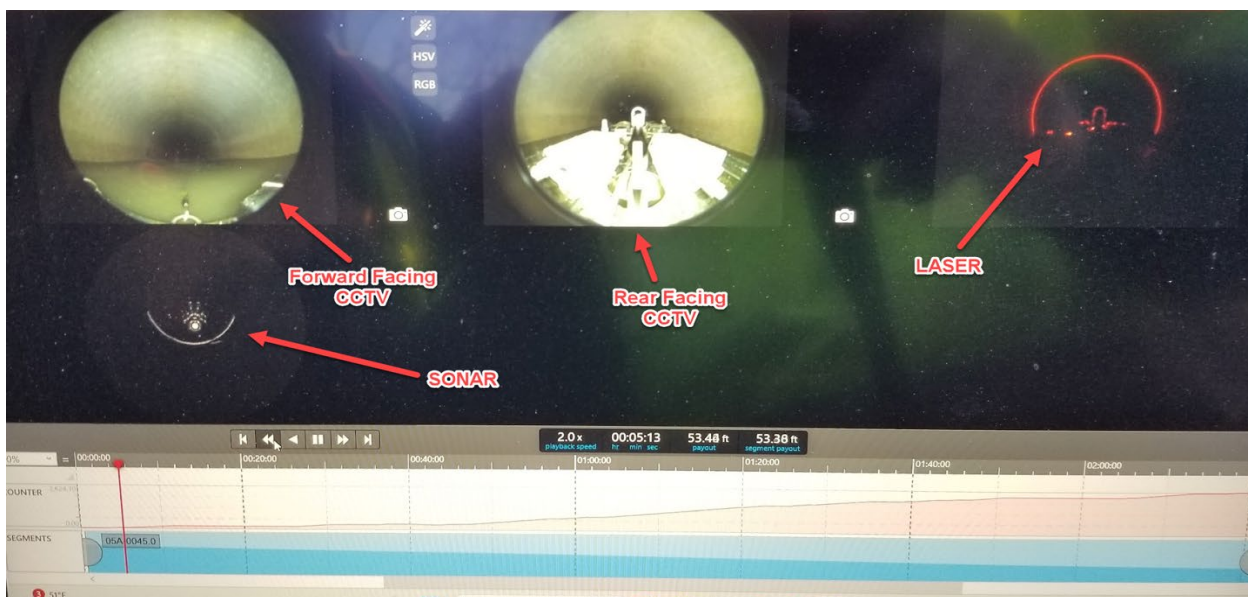
To obtain more comprehensive information on these large sewers, staff have implemented a Multi-Sensor Inspection (MSI) approach. The MSI inspection method utilizes a robotic inspection platform equipped with multiple sensors operating simultaneously to provide measurable/quantitative data. Specifically, the system integrates high-resolution CCTV, laser/LiDAR profiling and sonar scanning.

CCTV videos capture continuous visual documentation of the interior pipe surface, and can identify structural issues above the sewer flowline, such as cracks, joint offsets, and other defects.

Laser/LiDAR works by profiling pipe-wall by distance measurements, to create continuous cross-sections of the pipe geometry, therefore detecting pipe deformation (ovality) based in diameter changes, wall loss due to corrosion, and other structural deformations.

Sonar scanning is used to assess pipe conditions below the sewer flowline, including sediment accumulation and submerged structural defects.

By combining these technologies in a single inspection pass, the MSI system provides a full assessment of the pipe interior above and below the sewer flow line, allowing staff to develop a precise understanding of critical sewer line conditions and determine whether maintenance, rehabilitation, or replacement activities are necessary. Engineering staff will review the MSI inspection data and prepare a summary of findings, including any recommended maintenance, rehabilitation, or capital improvement projects identified through the condition assessment.



MSI Viewing Platform/Digital Inspection Interphase synchronizing CCTV, Lazer and Sonar data in a single interactive display

Final completion was issued for the Gibson Lane to Tinker Creek Waterline Extension Project in Botetourt County, which consists of approximately 9,100 linear feet of new 16-inch transmission main from Route 11, continuing along Gibson Lane and Tinker Mountain Road, to the intersection of Roanoke Road. The project was part of a larger program that will install new transmission main from the Hollins University area in Roanoke County to the Daleville area in Botetourt County, in order to increase system redundancy and water supply capacity in Roanoke and Botetourt Counties.

Construction is wrapping up for the 1385 (Hollins) Pump Station and Williamson Road Waterline Project, which completed installation of approximately 5,000 linear feet of all 16-inch transmission main along Williamson Road from the pump station site.

The Pump Station construction is completed, pending start-up testing and commissioning, in readiness for issuance of acceptance certificates. Recent work includes installation of electrical service to the pumping station, and grading/loading out dirt around the building. The 1385 Pump Station will serve the 1385 HGL pressure zone and supplement the existing Hollins Road Pumping Station, which is currently a bottleneck in the system.



Regional Efforts

During the month of February staff attended two job fairs hosted at the Salem Civic Center for the displaced Yokohama employees. During the events, staff spoke with and received contact information from 45 Yokohama workers looking for their next career. Staff has started receiving applications, and some candidates have been interviewed from this effort.

The Public Relations team received the Blue Ridge Chapter Public Relations Society of America Gold Summit award for the Water Authority's 20th Anniversary campaign. The campaign celebrated staff achievements through a yearlong series of weekly employee spotlights. Using surveys and interviews, the PR team collected stories, photos, and quotes to create milestone features shared across internal monitors, newsletters, social media, and at the Annual Employee Service Awards Banquet. The campaign boosted morale, strengthened internal communications, documented organizational history, and will continue as an ongoing employee-recognition and recruitment tool.

Staff also attended the Virginia Utility Management Conference in Richmond. Two staff members from the Field Operations and Public Relations Divisions served as a committee member and a board member, respectively, in facilitating the conference and related activities. Additionally, one staff member from the Engineering Service Division participated as a panelist

in discussions on alternative project delivery, focusing on the success of the Design-Build Granular Activated Carbon (GAC) Facility upgrades at the Spring Hollow WTP. This staff participation highlights the Authority's collaborative approach in supporting professional events, as well as in contributing technical expertise to industry discussions.



Staff Participation in Panel Discussion at the Virginia Utility Management Conference in Richmond

STAFF RECOMMENDATION:

This communication is for informational purposes. No action required.

Division / Section	Activity	Facility	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	YTD	Average	Avg 24-25	Avg 23-24		
Water Production	Finished Water Produced (daily average in million gallons per day)	Carvinis Cove	10.44	10.07	9.91	9.54	9.55	10.20	10.43	11.61						81.76	10.22	9.70	9.48	
		Spring Hollow	5.19	5.22	5.20	5.16	4.56	4.67	4.45	4.78						39.23	4.90	4.48	3.42	
		Crystal Spring	4.22	4.08	3.88	3.99	3.69	3.71	3.65	3.70						30.92	3.87	4.02	4.24	
		Muse Spring	1.14	1.13	1.02	1.01	0.96	0.95	0.94	0.94						8.15	1.02	0.96	1.09	
		Falling Creek	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						0.00	0.00	0.00	0.00	
		Franklin County	0.72	0.66	0.67	0.61	0.51	0.62	0.54	0.50						4.84	0.60	0.19	0.14	
		Alternative Sources	1.72	1.60	1.63	1.65	1.27	1.36	1.25	1.49						11.97	1.50	1.71	1.38	
		Total	23.44	22.77	22.31	21.96	20.54	21.51	21.26	23.07						176.86	22.11	21.07	19.75	
			Valves Exercised																	
			Valves Exercised																	
WPC Operations	Flow Treated (million gallons per day)** BOD Removed (lbs/day)^ TSS Removed (lbs/day)^ TKN Removed (lbs/day)^ Phosphorous Removed (lbs/day)^ Biosolids (dry tons)^ Septic Tank Discharges (1500 - 3500 gals/truck) Private I&I Inspections	WPC Plant	29.4	32.4	25.3	24.4	23.1	25.3	25.5	25.5	34.5					219.81	27.5	33.6	30.8	
		WPC Plant	44,752	41,993	39,715	36,848	34,646	42,938	45,500	57,776						344,168.00	43,021	49,964	45,451	
		WPC Plant	71,157	70,294	57,376	52,035	40,298	51,256	55,442	78,090						475,948.00	59,494	67,537	52,630	
		WPC Plant	5,928	7,337	6,880	6,081	5,872	6,844	6,615	6,419						51,976.00	6,497	7,006	5,952	
		WPC Plant	845	843	896	770	714	823	790	682						6,363.00	795	898	784	
		Land Applied	699	972	837	1,072	903	315	0	0						4,799	600	446	416.2	
		No. of Trucks at WPC Plant	430	401	404	414	355	356	273	314						2,947	368	351	300.0	
		Locations	187	141	149	145	128	128	87	118						1,083	135	133	107.5	
		Defects	4	6	6	6	1	11	5	5						44	6	4	3.9	
			Work Orders (All Facilities)																	
Plant Maintenance		Preventative	289	164	229	209	176	204	245							1,516	217	209	171	
		Reactive	109	60	96	95	89	83	91	623						89	77	85		
		Other	8	9	25	2	2	10	6	62						9	5	20		

^ - YTD for this parameter is total tons removed # - YTD is total tons applied

Division	Activity	Facility	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	YTD	Average	Avg 24-25	Avg 23-24	Avg 22-23	
Water Construction	Repairs (Leaks and Breaks)	Water Mains / Services	56	66	56	65	78	128	151						654	82	59	57	58	
	Wet Taps	Water Mains / Services	4	4	6	5	4	2	3	0						4	5	2	4	
	Replacements & New Installations (ft)	Water Mains	883	2,927	1,599	1,282	1,830	1,147	722	661					10,951	1,369	1,102	955	1,302	
	Water Vault Installation and Upgrades (Hrs)	Water Services	0	0	0	0	0	0	0	0						0	0	0	2	
	Water Vault & Meter Box Adjustments (Hrs)	Water Services	13	13	16	16	22	8	19	5						112	14	15	24	39
	New/Replacement/Repair	Water Services	11	17	9	11	13	6	7	5						79	10	12	11	10
	New/Replacement/Repair	Valves & Appurtenances	1	5	1	2	1	1	5	1						17	2	4	4	3
	New/Replacement/Repair & Maintenance (Number of manhours)	Fire Hydrants	3	8	3	3	2	2	5	4						30	4	4	5	3
	Out of Service	Fire Hydrants	46	54	72	63	16	33	44	33						361	45	50	75	39
	Out of Service (Franklin Co.)	Fire Hydrants	7	5	5	2	3	3	6	6						39	5	5	6	4
Restoration (manhours)	Water Services	50	82	60	50	86	52	50	90						520	65	52	61	84	

Division	Activity	Facility	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	YTD	Average	Avg 24-25	Avg 23-24	Avg 22-23
SSPM Section	TV Pipe Inspection	Pipe Segments feet	131	164	163	109	83	78	70	127					925	116	108	155	148
	Main Pressure Cleaning	Pipe Segments feet	326	99	197	241	198	146	149	349					1,705	213	142	203	147
	Rodding (Mechanical Root Removal)	Pipe Segments feet	80,168	15,541	44,474	51,489	46,677	19,845	27,471	33,661					319,326	39,916	25,803	48,749	36,089
	Acoustic Pipe Survey	Pipe Segments feet	0	0	0	0	0	0	0	0						0	0	1	3
	Manhole Inspection	Manholes	105	47	27	73	141	113	60	128					694	87	10	12	20
	Pipe Repairs	Mains or Laterals	13	10	18	16	16	19	17	12					121	15	15	21	24
	Manhole Repairs	Manholes	1	8	6	9	3	3	3	4					37	5	5	22	20
	New Services Installed	Laterals	10	9	6	7	4	4	7	5					52	7	5	5	5
	Response to Customer Calls (backups, service issue, odor, etc.)	Various Customer Locations	70	87	66	56	77	73	116	96					641	80	94	74	83

Division / Section	Activity	Facility	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	YTD	Average	Avg 24-25	Avg 23-24	Avg 22-23
Customer Service	Interactions with Customers (Service or Payment)	Coultter Building	0	0	0	0	0	0	0	0					0	0	0	0	0
	Calls Answered	Telephone	6,352	5,881	5,634	6,328	4,922	5,202	5,639	5,928					45,886	5,736	5,901	6,594	6,459
	Average Wait	Percent	92%	95%	95%	94%	96%	90%	95%	97%					---	94.2%	92.6%	94.8%	92.6%
	Average Length	Minutes:Seconds	1:45	1:10	1:01	1:20	0:48	2:32	1:01	0:38					---	1:16	1:32	1:06	1:19
	Average Time to Abandon	Minutes:Seconds	4:41	4:43	4:37	4:48	4:29	4:20	4:27	4:23					---	4:33	5:09	4:25	4:08
	Lock Box Service	Transactions	7,471	7,527	6,792	7,769	6,332	7,382	6,446	7,560					57,279	7,160	8,075	9,126	10,715
	Automatic Bank Draft	Transactions	22,058	21,479	21,978	22,470	20,104	24,481	22,328	22,601					177,499	22,187	20,677	19,058	17,205
	Electronic Lockbox Activity	Transactions	11,550	11,398	11,040	11,481	9,762	11,689	11,224	10,958					89,112	11,139	11,599	11,883	12,213
	Customer Web Interface	Transactions	21,481	20,868	21,784	22,244	19,192	23,090	22,014	21,538					172,211	21,526	20,305	18,968	17,815
	Manually Processed	Transactions	3,560	3,249	3,479	3,528	2,961	3,744	3,508	3,500					27,549	3,444	3,509	3,526	3,585
New Services	Water	7.1%	5.5%	6.3%	3.3%	5.4%	5.1%	5.2%	5.3%					---	5.7%	6.0%	4.67	4.738	
Delinquent Notices Mailed	Number	43	28	34	42	38	23	19	20					250	31	31	23	29	
Automated Phone Calling	Sewer	30	21	26	37	34	17	19	20					204	26	25	18	23	
Collections	Number	6,463	5,919	6,367	6,181	5,719	7,297	6,779	6,691					51,436	6,430	6,070	5,045	4,637	
	Number	6,109	4,822	6,338	5,550	4,881	5,772	5,984	6,056					45,512	5,689	4,547	4,667	4,331	

	Disconnect for Non-Payment or Broken Payment Plan	Number	709	645	613	608	457	349	250	422				4,053	507	449	447	478
Meter Operations	Meters Serviced / Replaced	Meter Warranty Repair	178	139	159	188	94	167	123	101				1,149	144	129	166	124
		Meter Non-Warranty Repair	1	0	0	0	0	0	3	10				14	2	7	11	14
		Meter Transmitter Warranty Repair	35	0	97	36	16	44	37	0				265	33	33	27	11
		Meter Transmitter Non-Warranty Repair	0	0	0	0	0	0	0	0				0	0		8	
	Distribution System Support Work Orders (Water Quality, Pressure, Leaks at Services)	Distribution System Support Work Orders	889	1040	948	896	715	903	1248	1523				8,162	1020	764	628	693
	Billing-Related Work Orders Processed (re-reads, turn on/turn off, service calls)	Billing Related Work Orders	3,135	3,492	2,427	2,714	1,921	2,118	1,658	1,942				19,407	2,426	2,229	2,502	2,597
Utility Line Location	Miss Utility Requests	Total Tickets	4,588	4,662	4,846	5,223	3,553	3,756	3,818	4,270				34,716	4,340	4,110	3,531	4,098
	Emergency Tickets	Emergency Tickets	255	254	269	278	211	273	318	382				2,240	280	266	254	247

Table 3 - Engineering Summary

Division / Section	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	YTD	FY26 Avg	FY25 Avg
AUTHORITY CAPITAL PROJECTS															
In Design	11	11	13	14	13	13	16	16					107	13	13
Under Construction	26	18	23	24	24	25	23	21					184	23	21
Substantial Completion Issued	2	2	0	2	0	1	1	2					10	1	1
Final Acceptance Issued	1	0	1	1	2	0	1	1					7	1	1
DEVELOPMENT PROJECTS															
New Development Plans Submitted	42	30	14	26	24	19	23	28					188	24	23
All Development Plans Reviewed	42	56	33	43	39	33	32	40					318	40	44
Total Approved Plans in Construction	52	61	56	59	60	54	56	59					457	57	36
Substantial Completion Issued for Development Projects	2	6	1	2	4	5	5	1					26	3	0
Final Acceptance Issued for Development Projects	3	6	1	2	3	3	3	1					22	3	0
New Services Inquiries Received	71	64	55	59	52	58	57	69					485	61	61
New Services Invoices Issued	61	53	40	45	33	48	35	44					359	45	47
Roanoke City															
New Development Plans Submitted	12	13	5	13	10	10	7	16					86	11	12
All Development Plans Reviewed	15	16	10	16	19	14	9	23					122	15	21
Total Approved Plans in Construction	25	24	19	20	22	16	20	24					170	21	14
Substantial Completion Issued for Development Projects	0	6	0	0	2	4	3	0					17	2	0
Final Acceptance Issued for Development Projects	0	6	0	2	1	2	2	0					13	2	0
New Services Inquiries Received	19	17	19	23	19	20	24	22					163	20	20
New Services Invoices Issued	16	15	12	15	12	17	12	5					104	13	17
Roanoke County															
New Development Plans Submitted	9	6	5	9	9	4	11	7					60	8	7
All Development Plans Reviewed	14	14	12	15	13	11	13	9					101	13	14
Total Approved Plans in Construction	12	18	19	18	20	20	15	14					136	17	12
Substantial Completion Issued for Development Projects	2	0	1	0	2	1	1	1					8	1	0
Final Acceptance Issued for Development Projects	2	0	1	0	2	1	0	1					7	1	0
New Services Inquiries Received	26	21	27	29	17	23	23	22					188	24	19
New Services Invoices Issued	27	19	24	21	8	16	13	16					144	18	14
Franklin County															
New Development Plans Submitted	1	0	1	1	4	1	1	0					9	1	1
All Development Plans Reviewed	2	2	1	1	5	1	1	0					13	2	2
Total Approved Plans in Construction	5	6	5	1	5	7	8	8					45	6	3
Substantial Completion Issued for Development Projects	0	0	1	0	0	0	0	0					1	0	0
Final Acceptance Issued for Development Projects	0	0	1	0	0	0	0	0					1	0	0
New Services Inquiries Received	15	14	5	4	12	3	4	13					70	9	12
New Services Invoices Issued	16	17	0	3	10	6	5	10					67	8	9
Botetourt County															
New Development Plans Submitted	2	0	3	3	1	4	4	5					22	3	3
All Development Plans Reviewed	6	5	10	11	2	7	9	8					58	7	7
Total Approved Plans in Construction	10	13	13	14	13	11	13	13					100	13	8
Substantial Completion Issued for Development Projects	0	0	1	0	0	0	1	0					2	0	0
Final Acceptance Issued for Development Projects	1	0	1	0	0	0	1	0					3	0	0
New Services Inquiries Received	11	12	4	3	4	11	6	12					63	8	8
New Services Invoices Issued	2	3	4	6	3	9	5	13					45	6	6



Board Report Project Update

Project Name	Project Update	Munis Project ID	Budget	Munis Actuals	Encumbrances & Requisitions	Available Budget	Percent Budget Used	Design Engineer	General Contractor
Managing Division: Customer Operations - Field Ops (4 Jurisdiction: Roanoke City (4 records))									
HEMLOCK & CAROLINA WL REPLACEMENT	WE ARE 60% COMPLETE WITH THE PROJECT. WE ARE LAYING WATER MAIN ON HEMLOCK.	15329	\$ 2,368,844	\$ 1,461,736	\$ 236,308	\$ 670,801	42%	WESTERN VIRGINIA WATER AUTHORITY - ENGINEERING SERVICES	WESTERN VIRGINIA WATER AUTHORITY - FOPS CIP DEPT
KESSLER RD NE AREA WL REPLACEMENT	WE ARE 50% COMPLETE WITH THE PROJECT. WE ARE LAYING WATER MAIN ON KESSLER RD.	15357	\$ 638,044	\$ 281,606	\$ 92,015	\$ 264,422	59%	WESTERN VIRGINIA WATER AUTHORITY - ENGINEERING SERVICES	WESTERN VIRGINIA WATER AUTHORITY - FOPS CIP DEPT
RIVERDALE AREA SEWER PROJECT	CONTRACTORS ARE WORKING ON THE MANHOLE REHAB.	21276	\$ 999,800	\$ 881,682	\$ 18,020	\$ 100,098	90%	WESTERN VIRGINIA WATER AUTHORITY - ENGINEERING SERVICES	WESTERN VIRGINIA WATER AUTHORITY - FOPS CIP DEPT
WILSHIRE AVE SW WL REPLACEMENT	WE HAVE COMPLETED ALL OF THE WATERLINE WORK. BASE PAVING IS 15% COMPLETE.	15359	\$ 231,000	\$ 148,893	\$ 68,252	\$ 13,855	94%		
Managing Division: Engineering Services (12 records) Jurisdiction: Roanoke City (5 records)									
CARLTON ROAD WATERMAIN REPLACEMENT	ALL MAIN LINE WATERLINE HAS BEEN INSTALLED. HOLT IS WORKING ON DOING THE TIE INS AND ONCE COMPLETE WILL START CONNECTING THE SERVICES.	15337	\$ 888,270	\$ 77,111	\$ 9,300	\$ 801,860	10%	HURT & PROFFITT INC	HOLT INC
COULTER BUILDING 1ST FLOOR LOBBY IMPROVEMENTS	COUNTERTOPS WILL BE COMPLETED 03-09-26. HVAC ROUGH IN, TILE AND OTHER FLOOR FINISHES, AND ELECTRICAL WILL START THE SAME WEEK. GRID GOES IN THE WEEK OF MARCH 16TH. SPRINKLER WILL START THE WEEK OF MARCH 23RD. PLUMBING WILL TRIM OUT THE WEEK OF MARCH 23RD. STOREFRONT WILL BE INSTALLED BY THE WEEK OF MARCH 23RD. HVAC TRIM OUT WILL GO IN THE WEEK OF MARCH 23RD	15360	\$ 1,461,730	\$ 966,574	\$ 425,156	\$ 70,001	95%	WILEY & WILSON INCORPORATED	WALLBERG CONSTRUCTION INC
ELM AVENUE (WASENA BRIDGE REPLACEMENT)	ALL WATER AND SEWER ON EITHER SIDE OF THE BRIDGE HAS BEEN COMPLETED. HANGING CASING ON THE BRIDGE AS IT IS CONSTRUCTED.	19003	\$ 1,850,834	\$ 1,348,524	\$ 96,992	\$ 405,319	78%		
GRANDIN AVE (GUILFORD TO BEVERLY)	CONTRACTOR IS CURRENTLY WORKING ON THE CONNECTION AT BEVERLY. THEY HAVE A SERVICE CONNECTION STILL TO MAKE AND A FEW LOOSE ENDS TO TIE UP. COMPLETION IS NEAR.	28004	\$ 100,000	\$ -	\$ -	\$ 100,000	0%	MATTERN & CRAIG INC	Archer Western Construction
VDH - MELROSE AVE AREA WL IMPROV PH 1B	THE AUTHORITY AND THE CONTRACTOR ARE SCHEDULING FINAL CONNECTIONS AND ONCE THAT IS COMPLETE WE WILL START THE LAST SECTION ALONG SHENANDOAH AVENUE.	15328	\$ 2,702,000	\$ 1,125,782	\$ 801,301	\$ 774,917	71%	HURT & PROFFITT INC	CONCRETE FOUNDATIONS INC
		15335	\$ 8,227,698	\$ 5,409,085	\$ 2,300,894	\$ 517,719	94%	CHA INC	E C PACE COMPANY INC

Jurisdiction: Roanoke County (5 records)		\$	21,002,020 \$	10,388,021 \$	8,481,265 \$	2,132,734		
NEW 1385 (HOLLINS) PUMP STATION REPL	AEP HAS INSTALLED ELECTRICAL SERVICE AND CONTRACTOR IS MAKING CONNECTION TO FACILITY. WILL BE SCHEDULING MEETING TO COORDINATE THE START UP DATE SHORTLY.	14111	7,566,210 \$	6,475,526 \$	879,145 \$	211,540	97%	WHITMAN REQUARDT & ASSOCIATES LLP E C PACE COMPANY INC
		15307	240,000 \$	119,448 \$	- \$	120,553	50%	
OLD MOUNTAIN ROAD SEWER IMPROVEMENTS	CONTRACTOR HAS RETURNED TO COMPLETE THE LAST SECTION FROM THE RECENTLY COMPLETED RAILROAD BORED SECTION.	21268	1,453,875 \$	1,095,681 \$	173,962 \$	184,232	87%	WILEY & WILSON INCORPORATED AARON J CONNOR GENERAL CONTRACTOR INC
POAGES MILL SEWER EXTENSION - FORCE MAIN	UNDER CONSTRUCTION	21266	6,500,000 \$	340,694 \$	4,862,152 \$	1,297,155	80%	KIMLEY-HORN AND ASSOCIATES INC WACO, INC
POAGES MILL SEWER EXTENSION - PUMP STATION	UNDER CONSTRUCTION, BEHIND SCHEDULE.							
POAGES MILL WATER EXTENSION - PHASE 1	UNDER CONSTRUCTION	15306	5,241,935 \$	2,356,672 \$	2,586,007 \$	319,255	94%	MATTERN & CRAIG INC A R COFFEY & SONS INC
Jurisdiction: Systemwide (2 records)			3,248,000 \$	1,176,775 \$	1,712,208 \$	359,017		
LARGE DIAMETER SEWER INSPECTION (SS ASSESSMENT, INSPECTION, & CLEANING SERVICES)	CONTRACTOR COMPLETED SEWER PIPE SCANS, WORKING TOWARDS REPORTING/ASSESSMENT	21275	475,000 \$	- \$	198,202 \$	276,798	42%	
WOOD HAVEN TECHNOLOGY PARK WL EXT	THE CONTRACTOR HAS SUBMITTED CORRECTIVE ACTION PLAN FOR I-81 BORE TO VDOT FOR REVIEW AND COMMENT.	15315	2,773,000 \$	1,176,775 \$	1,514,006 \$	82,219	97%	WHITMAN REQUARDT & ASSOCIATES LLP E C PACE COMPANY INC
Managing Division: Water Quality (5 records)			27,092,275 \$	4,016,739 \$	88,934 \$	253,575		
Jurisdiction: Bedford County (1 records)			12,207,005 \$	0	0			
BEAVERDAM UPGRADE & RENOVATION	PROJECT IS 83% TO SUBSTANTIAL COMPLETION BY CALENDAR DAYS. CONTRACTOR HAS NEARLY COMPLETED THE WING WALLS. THEY ARE INSTALLING PIEZOMETERS IN THE DAM FOR MONITORING. THEY ARE ALSO CONTINUING TO LAY BACK THE SLOPE ON THE FACE OF THE DAM. COMPLETION OF THE PROJECT IS ANTICIPATED BY THE END OF THE YEAR, WHICH WILL BE ABOUT TWO MONTHS EARLY.	11107	6,103,502 \$	5,090,422 \$	269,707 \$	743,374	88%	STANTEC CONSULTING SERVICES INC Haymes Brothers, Inc.
Jurisdiction: Franklin County (2 records)			4,359,248 \$	4,016,739 \$	88,934 \$	253,575		
CHEROKEE HILLS WATER SYSTEM IMPROVEMENTS	PROJECT IS 98% COMPLETE. EVERYTHING IS COMPLETE ON THIS PROJECT EXCEPT FOR THE INSTALLATION OF PITLESS ADAPTOR ON WELL NO.1, A CONCRETE PAD POURED AROUND WELL NO.1, AND FINAL GRADING WITH GRASS. WAITING ON THE WEATHER TO BREAK TO FINISH UP.	14110	190,693 \$	190,693 \$	- \$	-	100%	ENGINEERING CONCEPTS INC WESTERN VIRGINIA WATER AUTHORITY
CONTENTMENT ISLAND WATER STORAGE TANK - PAINTING OF WATER TANK	PROJECT IS 85% COMPLETE. CONTRACTORS HAS COMPLETED THE PAINTING INSIDE THE TANK AND OUTSIDE OF TANK.	13101	4,168,555 \$	3,826,046 \$	88,934 \$	253,575	94%	NOSTOS SS CONTRACTORS LLC
Jurisdiction: Roanoke City (1 records)								
Jurisdiction: Roanoke County (1 records)			10,526,022 \$	0	0			MATTOX SEALER CO INC
PARKING LOT SEALING - ADMINISTRATION BUILDING AT WPCP	GMP PHASE 1 - GAC SYSTEM IMPROVEMENTS: PROJECT IS 98% COMPLETE. THERE ARE A COUPLE OF ITEMS THAT THE ELECTRICIANS MUST ADDRESS AND IT HAS BEEN A SCHEDULING CHALLENGE TO GET THEM BACK ON-SITE. SUBSTANTIAL COMPLETION HAS BEEN ACHIEVED. GMP PHASE 2 IS UNDERWAY.	12144	10,526,022 \$	7,194,572 \$	2,977,181 \$	354,269	97%	HAZEN & SAWYER, P.C. CROWDER CONSTRUCTION COMPANY
SPRING HOLLOW - FINISHED WATER IMPROVEMENTS								
Grand Totals (21 records)			71,117,450 \$	27,574,791 \$	14,249,348 \$	6,560,283		

BOARD MEETING OF THE WESTERN VIRGINIA WATER AUTHORITY

MEETING DATE: March 19, 2026
AGENDA ITEM: Financial Report for February 2026
SUBMITTED BY: Tammy Lawfield, Director of Finance

SUMMARY OF INFORMATION:

Attached are the financial income statements for Water and Water Pollution Control (WPC) operations for the period ending February 2026. Also attached is a combined income statement for the Authority. The month of February represents 67% of the year.

Operating revenues for the Water were 71% and the WPC fund were 66%. Retail revenues for the Water fund were 66% and WPC fund were 67%.

Non-operating revenues for the Water fund were 152% and the WPC fund were at 103% of budget. Some of these revenues (Investment Income, Office Building Lease Income) lag a month in reporting.

Operation & Maintenance expenses year to date for the Water system are 60% and WPC are 63%.

The Operating Margins for the Water fund was 89% and the WPC fund was 70%. Combined Operating Margin was 79%.

The Water system has paid 54% of budgeted interest expense and 95% of principal payments. WPC has paid 63% of interest expense and 76% of principal payments.

STAFF RECOMMENDATION:

No recommendation. Report provided for informational purposes only.

**Western Virginia Water Authority
FY 2026 Operations Statement
Water Fund
For the Month Ended February 2026**

	FY 2026 Budget	February 2025	February 2026	FY 2025 Year to Date	FY 2026 Year to Date	Percent Budget
Water Revenues						
Water Sales	\$ 42,272,410	\$ 3,069,135	\$ 3,470,037	\$ 25,700,472	\$ 27,902,526	66%
Connection Fees	300,000	27,350	22,000	202,800	239,450	80%
Bulk Sales	110,000	8,157	30,981	67,195	74,748	68%
Fire Service	1,798,599	161,431	157,565	1,233,598	1,257,880	70%
Contract Services	222,929	51,812	16,174	100,457	149,126	67%
Water Revenue - Other	1,625,000	90,968	(45,115)	2,177,762	3,137,898	193%
Total Water Operating Revenues	\$ 46,328,938	\$ 3,408,853	\$ 3,651,642	\$ 29,482,283	\$ 32,761,628	71%
Water Operation & Maintenance Expenses						
Reservoir Operations	\$ 482,775	\$ 34,472	\$ 33,135	\$ 264,748	\$ 286,794	59%
Carvins Cove WTP	2,762,013	205,541	217,869	1,883,568	1,833,233	66%
Spring Hollow WTP	3,256,226	774,269	210,554	3,081,582	1,709,623	53%
Crystal Spring WTP	715,485	50,620	63,162	554,877	461,883	65%
Falling Creek WTP	69,250	1,309	974	19,074	20,049	29%
Muse Spring WTP	269,357	13,303	17,364	174,018	152,642	57%
Community Water Systems	1,475,434	108,693	87,953	698,630	771,008	52%
Contract Services	108,676	5,375	284	23,625	8,390	8%
Smith Mountain Lake System	150,000	10,316	10,737	80,468	124,528	83%
Laboratory Services	527,337	32,807	20,912	233,485	288,511	55%
Pump and Storage Operations	1,676,760	149,604	141,920	1,032,647	991,196	59%
Water Quality Administration	1,569,280	64,846	61,620	977,597	1,058,490	67%
Water Distribution Maintenance	7,652,289	556,545	606,803	4,508,256	4,698,060	61%
Customer Operations Administration	791,642	60,593	66,674	557,038	582,778	74%
Meter Operations	1,578,494	126,351	109,424	976,254	957,606	61%
Billing Administration	1,262,461	89,717	98,269	701,129	754,698	60%
Information Technology	1,057,341	66,028	44,249	513,588	587,329	56%
Internal Services	3,969,009	223,089	216,794	2,342,484	2,355,382	59%
Total Water Operating & Maintenance Expenses	\$ 29,373,829	\$ 2,573,475	\$ 2,008,697	\$ 18,623,070	\$ 17,642,200	60%
Income from Operations	\$ 16,955,109	\$ 835,378	\$ 1,642,945	\$ 10,859,215	\$ 15,119,428	89%
Non-Operating Revenues						
Investment Income	\$ 1,500,000	\$ 155,260	\$ 90,220	\$ 1,158,569	\$ 753,345	50%
Rental Income	839,678	52,379	62,245	551,881	541,512	64%
Availability Fees	1,150,000	136,500	93,000	887,250	1,045,000	91%
Office Building Lease Income	89,255	13,063	7,371	50,566	52,264	59%
Sale of Assets	-	1,125	-	38,626	455,468	
Contributed Capital	860,608	11,654	3,589	3,923,139	5,226,842	607%
Contributed Capital-Dedicated Facilities	750,000	-	-	336,060	358,775	48%
Other	2,375,000	15,010	11,154	3,115,672	3,030,823	128%
Subtotal Non-Operating Revenues	\$ 7,564,542	\$ 384,990	\$ 267,579	\$ 10,061,764	\$ 11,464,029	152%
Non-Operating Expenses						
Interest Expense-Revenue & GO Bonds	\$ (3,106,871)	\$ (21,516)	(42,215)	\$ (1,682,120)	\$ (1,673,319)	54%
Office Building Maintenance	(166,550)	(14,170)	(12,264)	(97,545)	(95,953)	58%
Subtotal Non-Operating Expenses	\$ (3,273,421)	\$ (35,686)	\$ (54,479)	\$ (1,779,664)	\$ (1,769,272)	54%
Total Non-Operating Revenues & Expenses	\$ 4,291,121	\$ 349,304	\$ 213,100	\$ 8,282,100	\$ 9,694,757	
Net Income (Loss) from Operations	\$ 21,246,230	\$ 1,184,682	\$ 1,856,045	\$ 19,141,315	\$ 24,814,185	117%
Principal Payment on Long-Term Debt	\$ 8,082,153	\$ 280,114	\$ 102,187	\$ 7,093,158	\$ 7,652,154	95%
Capital Projects	\$ 12,414,077	\$ 1,130,444	\$ 1,034,506	\$ 9,043,553	\$ 8,276,051	
Net Income (Loss)	\$ 750,000	\$ (225,876)	\$ 719,352	\$ 3,004,604	\$ 8,885,980	

Western Virginia Water Authority
FY 2026 Operations Statement
Water Pollution Control Fund
For the Month Ended February 2026

5.c

	FY 2026 Budget	February 2025	February 2026	FY 2025 Year to Date	FY 2026 Year to Date	Percent Budget
Water Pollution Control Revenues						
WPC Charges	\$ 43,789,334	\$ 3,328,921	\$ 3,793,452	\$ 26,461,547	\$ 29,322,549	67%
Connection Fees	130,000	17,500	14,000	85,850	101,200	78%
Bulk Sales	2,000,000	133,197	94,945	971,104	766,409	38%
Septic Disposal Fees	765,000	60,404	55,280	382,153	493,901	65%
Contract Services	355,564	14,681	25,464	111,961	226,804	64%
WPC Revenue - Other	1,155,000	21,721	(48,994)	725,971	685,833	59%
Total Water Pollution Control Operating Revenues	\$ 48,194,899	\$ 3,576,421	\$ 3,934,147	\$ 28,738,585	\$ 31,596,696	66%
WPC Operation & Maintenance Expenses						
Metering & Lift Stations	\$ 475,871	\$ 53,281	\$ 29,696	\$ 288,012	\$ 272,398	57%
Water Pollution Control - Collection System Metering	183,000	14,395	15,119	106,110	105,833	58%
Water Pollution Control Operations	6,623,327	659,154	582,763	4,465,231	4,469,269	67%
Biosolids Handling	1,737,000	-	-	556,317	953,127	55%
Process & Facilities Maintenance	2,215,985	155,058	155,845	1,376,107	1,421,840	64%
Environmental Programs	1,585,777	123,684	197,608	946,459	1,096,451	69%
Contract Services	161,356	5,576	9,798	33,734	55,220	34%
Community Wastewater Water	1,289,765	96,009	104,192	741,926	955,543	74%
Water Quality Administration	1,185,185	46,742	48,504	748,373	818,220	69%
WPC Collection Maintenance	6,171,696	503,872	445,607	3,692,287	3,600,986	58%
Customer Operations Administration	791,642	60,593	66,674	557,038	582,778	74%
Billing Operations	1,262,461	89,717	98,269	701,129	754,698	60%
Information Technology	1,057,341	66,028	44,249	513,588	587,329	56%
Internal Services	3,969,009	223,088	216,794	2,342,484	2,355,382	59%
Total WPC Operating & Maintenance Expenses	\$ 28,709,415	\$ 2,097,196	\$ 2,015,118	\$ 17,068,794	\$ 18,029,074	63%
Income from Operations	\$ 19,485,484	\$ 1,479,225	\$ 1,919,029	\$ 11,669,791	\$ 13,567,622	70%
Non-Operating Revenues						
Investment Income	\$ 1,000,000	\$ 80,111	\$ 63,090	\$ 538,829	\$ 490,067	49%
Availability Fees	1,150,000	110,250	75,000	764,250	1,056,500	92%
Office Building Lease Income	89,255	13,063	7,371	50,566	52,264	59%
Plant Capital from Local Jurisdictions	296,093	24,674	24,674	197,395	197,395	67%
Contributed Capital	935,803	2,360	520,747	882,270	2,809,890	300%
Contributed Capital-Dedicated Facilities	750,000	-	-	78,450	126,920	17%
Other	457,400	26,010	11,154	129,901	108,112	24%
Subtotal Non-Operating Revenues	\$ 4,678,551	\$ 256,467	\$ 702,036	\$ 2,641,662	\$ 4,841,148	103%
Non-Operating Expenses						
Interest Expense-Revenue & GO Bonds	\$ (1,125,386)	\$ (109,982)	\$ (85,793)	\$ (774,089)	\$ (711,395)	63%
Office Building Maintenance	(166,550)	(14,170)	(12,264)	(97,545)	(95,953)	58%
Subtotal Non-Operating Expenses	\$ (1,291,936)	\$ (124,152)	\$ (98,057)	\$ (871,634)	\$ (807,348)	62%
Total Non-Operating Revenues & Expenses	\$ 3,386,615	\$ 132,315	\$ 603,979	\$ 1,770,028	\$ 4,033,800	
Net Income (Loss) from Operations	\$ 22,872,099	\$ 1,611,540	\$ 2,523,008	\$ 13,439,818	\$ 17,601,422	77%
Principal Payment on Long-Term Debt	\$ 7,642,502	\$ 737,774	\$ 727,365	\$ 5,318,567	\$ 5,821,486	76%
Capital Projects	\$ 14,479,597	\$ 935,935	\$ 1,206,633	\$ 7,487,483	\$ 9,653,065	
Net Income (Loss)	\$ 750,000	\$ (62,169)	\$ 589,010	\$ 633,768	\$ 2,126,871	

**Western Virginia Water Authority
FY 2026 Combined Financial Operations
For the Month Ended February 2026**

5.d

	<u>FY 2026 Budget</u>	<u>February 2026</u>	<u>FY 2026 Year to Date</u>	<u>Percent Budget</u>
Operating Revenues				
Water Revenues	\$ 46,328,938	\$ 3,651,642	\$ 32,761,628	71%
WPC Revenues	48,194,899	3,934,147	31,596,696	66%
Total Operating Revenues	\$ 94,523,837	\$ 7,585,789	\$ 64,358,324	68%
Operation & Maintenance Expenses				
Water Quality	\$ 28,519,859	\$ 2,010,010	\$ 17,854,247	63%
Customer Operations	21,625,366	1,580,218	13,106,261	61%
Administration & Engineering	7,938,017	433,588	4,710,765	59%
Total Operating Expenses	\$ 58,083,242	\$ 4,023,816	\$ 35,671,273	61%
Income from Operations	\$ 36,440,595	\$ 3,561,973	\$ 28,687,051	79%
Non-Operating Income & Expenses				
Non-Operating Income				
Water Non-Operating Revenues	\$ 7,564,542	\$ 267,579	\$ 11,464,029	152%
WPC Non-Operating Revenues	4,678,551	702,036	4,841,148	103%
Water Non-Operating Expenses	(3,273,421)	(54,479)	(1,769,272)	54%
WPC Non-Operating Expenses	(1,291,936)	(98,057)	(807,348)	62%
Total Non-Operating Income & Expenses	\$ 7,677,736	\$ 817,079	\$ 13,728,557	179%
Net Income (Loss) from Operations	\$ 44,118,331	\$ 4,379,051	\$ 42,415,609	96%
Principal Payment on Long-Term Debt				
Water	\$ 8,082,154	\$ 102,187	\$ 7,652,154	
WPC	7,642,503	727,365	5,821,486	
Capital Projects & Reserves				
Water	12,414,077	1,034,506	8,276,051	
WPC	14,479,597	1,206,633	9,653,065	
Net Income	\$ 1,500,000	\$ 1,308,360	\$ 11,012,853	
Cash Analysis				
Water Fund				
Cash and Cash Equivalents		\$ 40,831,986		
Cash and Cash Equivalents - Restricted		7,218,685		
Total Cash and Cash Equivalents Water Fund		\$ 48,050,671		
Water Pollution Control Fund				
Cash and Cash Equivalents		\$ 31,371,706		
Cash and Cash Equivalents - Restricted		384,219		
Total Cash and Cash Equivalents Water Pollution Control Fund		\$ 31,755,925		

MEMO



To: Board of the Western Virginia Water Authority
From: Jeremy E. Carroll
Date: March 19, 2026
Re: Report of Counsel

1. Acquisition of Ferrum Water and Sewage Authority (“FWSA”) System

We continue to receive assurances from USDA Rural Development that it soon will make a determination on the Authority’s proposed acquisition of the FWSA system and assumption of FWSA’s grant covenants. Once the approval is received, we will finalize the closing and transfer documents and proceed to closing. We hope to close at the end of the fiscal year, assuming we timely receive USDA’s approval.

2. Acquisition of Bridgewater Pointe Wastewater System

Since the filing of the Amended Petition, the SCC has submitted three requests for additional data concerning the proposed transaction. The most recent request relates to certain accounting information for the system’s current owner, Westlake Drainfield, LLC. In addition, at the SCC’s direction, we have advertised a notice of public comment in the Roanoke Times. The public is being afforded the opportunity to submit comments to the SCC concerning the Authority’s proposed acquisition of the system. We also served the notice on the Chair of the Franklin County Board of Supervisors, as well as the County Attorney for Franklin County. Finally, we arranged for the Authority to accept the dedication of certain infrastructure at Bridgewater Grande as well as a deeded utility lot while we wait for the SCC to approve the acquisition of the Westlake Drainfield system.

3. FOIA Litigation

The Court of Appeals denied our motion for reconsideration of our request that the appellate court stay the lower court’s order that we disclose the redacted records. After that denial, we promptly disclosed the unredacted records in accordance with the Circuit Court’s order. The appeal remains ongoing. Further discussion on this matter should take place in a closed meeting.

Memo to WVWA Board
March 19, 2026
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4. Idlewood Shores

I have been contacted by counsel representing the Idlewood Shores Homeowners Association about the Authority's possible acquisition of the water system serving this community. The Executive Director has updated the Board on this possible acquisition in recent meetings. I can provide a further update on discussions at the Board meeting.

5. New Hope Church

We have reviewed and revised a proposed agreement resolving this claim. We hope to finalize this matter in the coming weeks.

6. Wallace Avenue

All the required documents have now been executed and we anticipate closing on this transaction before the end of March.

7. Miscellaneous Issues

- a. The few outstanding deeds and other instruments of conveyance for completing the transfer of the Vinton system to the Authority have been finalized. Prior to recording, the original transfer agreement needs to be amended to reflect the final disposition of certain properties.
- b. There have been no developments in the RYT, LLC eminent domain case.

7.a

BOARD MEETING OF THE WESTERN VIRGINIA WATER AUTHORITY

MEETING DATE: March 19, 2026
AGENDA ITEM: Fiscal Year 2027 Budget
SUBMITTED BY: Tammy Lawfield, Finance Director

SUMMARY OF INFORMATION:

As part of the March Board of Directors meeting, staff will discuss budget details related to Fiscal Year 2027 expenses, rates and revenues. Attached please find draft Water Fund and Sewer Fund budget statements along with a PowerPoint to be reviewed at the meeting.

STAFF RECOMMENDATION:

No recommendation. Report provided for informational purposes only.

Attachments

**Western Virginia Water Authority
Fiscal Year Proposed 2027 Budget
Water Fund Operating Budget Summary**

	Fiscal Year 2027 Budget	Fiscal Year 2026 Budget	Variance	Percent Change
Water Revenues				
Water Sales	\$ 44,456,552	\$ 42,272,410	\$ 2,184,142	5%
Connection Fees	315,000	300,000	\$ 15,000	5%
Bulk Sales	112,500	110,000	\$ 2,500	2%
Fire Service	1,847,472	1,798,599	\$ 48,873	3%
Contract Services	230,672	222,929	\$ 7,743	3%
Water Revenue - Other	1,590,000	1,625,000	\$ (35,000)	-2%
Total Water Operating Revenues	\$ 48,552,196	\$ 46,328,938	\$ 2,223,258	5%
Water Operation & Maintenance Expenses				
Water Quality				
Reservoir Operations	\$ 514,477	\$ 482,775	\$ 31,702	7%
Carvins Cove WTP	2,927,830	2,762,013	165,817	6%
Spring Hollow WTP	2,562,668	3,256,226	(693,558)	-21%
Crystal Spring WTP	771,306	715,485	55,821	8%
Falling Creek WTP	66,250	69,250	(3,000)	-4%
Muse Spring WTP	280,348	269,357	10,991	4%
Community Water Systems	1,360,695	1,475,434	(114,739)	-8%
Contract Services	136,861	108,676	28,185	26%
Smith Mountain Lake System	192,000	150,000	42,000	28%
Laboratory Services	601,800	527,337	74,463	14%
Pump and Storage Operations	1,779,922	1,676,760	103,162	6%
Water Quality Administration	1,465,702	1,569,280	(103,578)	-7%
Customer Operations				
Water Distribution Maintenance	8,365,553	7,652,289	713,264	9%
Customer Operations Administration	829,348	791,642	37,706	5%
Meter Operations	1,652,654	1,578,494	74,160	5%
Billing Administration	1,320,122	1,262,461	57,661	5%
Information Technology	1,101,054	1,057,341	43,713	4%
Administration & Engineering				
Internal Services	3,980,400	3,969,009	11,391	0%
Total Water Operating & Maintenance Expenses	\$ 29,908,990	\$ 29,373,829	\$ 535,161	2%
Income from Operations	\$ 18,643,206	\$ 16,955,109	\$ 1,688,097	10%
Non-Operating Revenues				
Investment Income	\$ 1,500,000	\$ 1,500,000	\$ -	0%
Rental Income	813,370	839,678	(26,308)	-3%
Availability Fees	1,300,000	1,150,000	150,000	13%
Office Building Lease Income	89,374	89,255	119	0%
Contributed Capital	851,013	860,609	(9,596)	-1%
Contributed Capital-Dedicated Facilities	750,000	750,000	0	0%
Other	529,190	2,375,000	(1,845,810)	-78%
Subtotal Non-Operating Revenues	\$ 5,832,947	\$ 7,564,542	\$ (1,731,595)	-23%
Non-Operating Expenses				
Interest Expense-Revenue & GO Bonds	\$ (3,165,889)	\$ (3,106,871)	\$ (59,018)	2%
Office Building Maintenance	(169,875)	(166,550)	(3,325)	2%
Subtotal Non-Operating Expenses	\$ (3,335,764)	\$ (3,273,421)	\$ (62,343)	2%
Total Non-Operating Revenues & Expenses	\$ 2,497,183	\$ 4,291,121	\$ (1,793,938)	-42%
Net Income (Loss) from Operations	\$ 21,140,389	\$ 21,246,230	\$ (105,841)	0%
Principal Payment on Long-Term Debt	\$ 8,770,627	\$ 8,082,153	\$ 688,474	9%
Funds Available for Capital Projects	\$ 11,619,762	\$ 12,414,077	\$ (794,315)	-6%
Total Income	\$ 54,385,143	\$ 53,893,480	\$ 491,663	1%

Western Virginia Water Authority
Fiscal Year Proposed 2027 Budget
Water Pollution Control Fund Operating Budget Summary

	Fiscal Year 2027 Budget	Fiscal Year 2026 Budget	Variance	Percent Change
Water Pollution Control Revenues				
WPC Charges	\$ 45,547,098	\$ 43,789,334	\$ 1,757,764	4%
Connection Fees	145,000	130,000	15,000.00	12%
Bulk Sales	1,800,000	2,000,000	(200,000.00)	-10%
Septic Disposal Fees	785,000	765,000	20,000.00	3%
Contract Services	364,731	355,565	9,166.00	3%
WPC Revenue - Other	1,170,000	1,155,000	15,000.00	1%
Total Water Pollution Control Operating Revenues	\$ 49,811,829	\$ 48,194,899	\$ 1,616,930	3%
WPC Operation & Maintenance Expenses				
Water Quality				
Metering & Lift Stations	\$ 485,541	\$ 475,871	\$ 9,670	2%
Water Pollution Control - Collection System Metering	209,000	183,000	26,000	14%
Water Pollution Control Operations	7,222,282	6,623,327	598,955	9%
Biosolids Handling	1,925,000	1,737,000	188,000	11%
Process & Facilities Maintenance	2,466,120	2,215,985	250,135	11%
Environmental Programs	1,597,408	1,585,777	11,631	1%
Contract Services	172,142	161,356	10,786	7%
Community Wastewater Water	1,429,431	1,289,765	139,666	11%
Water Quality Administration	1,240,527	1,185,185	55,342	5%
Customer Operations				
WPC Collection Maintenance	6,311,959	6,171,696	140,263	2%
Customer Operations Administration	829,348	791,642	37,706	5%
Billing Operations	1,320,122	1,262,461	57,661	5%
Information Technology	1,101,054	1,057,341	43,713	4%
Administration & Engineering				
Internal Services	3,980,400	3,969,009	11,391	0%
Total WPC Operating & Maintenance Expenses	\$ 30,290,334	\$ 28,709,415	\$ 1,580,919	6%
Income from Operations	\$ 19,521,495	\$ 19,485,484	\$ 36,011	0%
Non-Operating Revenues				
Investment Income	\$ 1,000,000	\$ 1,000,000	\$ -	0%
Availability Fees	1,300,000	1,150,000	150,000	13%
Office Building Lease Income	89,374	89,255	119	0%
Plant Capital from Local Jurisdictions	296,093	296,093	0	0%
Contributed Capital	929,211	935,803	(6,592)	-1%
Contributed Capital-Dedicated Facilities	750,000	750,000	0	0%
Other	157,400	457,400	(300,000)	-66%
Subtotal Non-Operating Revenues	\$ 4,522,078	\$ 4,678,551	\$ (156,473)	-3%
Non-Operating Expenses				
Interest Expense-Revenue & GO Bonds	\$ (937,165)	\$ (1,125,386)	\$ 188,221	-17%
Office Building Maintenance	(169,875)	(166,550)	(3,325.00)	2%
Subtotal Non-Operating Expenses	\$ (1,107,040)	\$ (1,291,936)	\$ 184,896	-14%
Total Non-Operating Revenues & Expenses	\$ 3,415,038	\$ 3,386,615	\$ 28,423	1%
Net Income (Loss) from Operations	\$ 22,936,533	\$ 22,872,099	\$ 64,434	0%
Principal Payment on Long-Term Debt	\$ 6,423,511	\$ 7,642,502	\$ (1,218,991)	-16%
Funds Available for Capital Projects	\$ 15,763,022	\$ 14,479,597	\$ 1,283,425	9%
Total Income	\$ 54,333,907	\$ 52,873,450	\$ 1,460,457	3%



Fiscal Year 2027 Budget Expenses, Rates, Revenues

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Budget Schedule

January 15th – Financial Performance Measures

February 19th – Operational Financial Performance Measures

March 19th – Expenses, Rates & Revenues

April 16th – Debt & Capital Improvement Plan

May 21st – Review Changes / Finalize Draft Budget

June 18th – Public Hearing - Adoption of Rates and Approval of the Fiscal Year 2027 Budget

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Discussion Items for Today

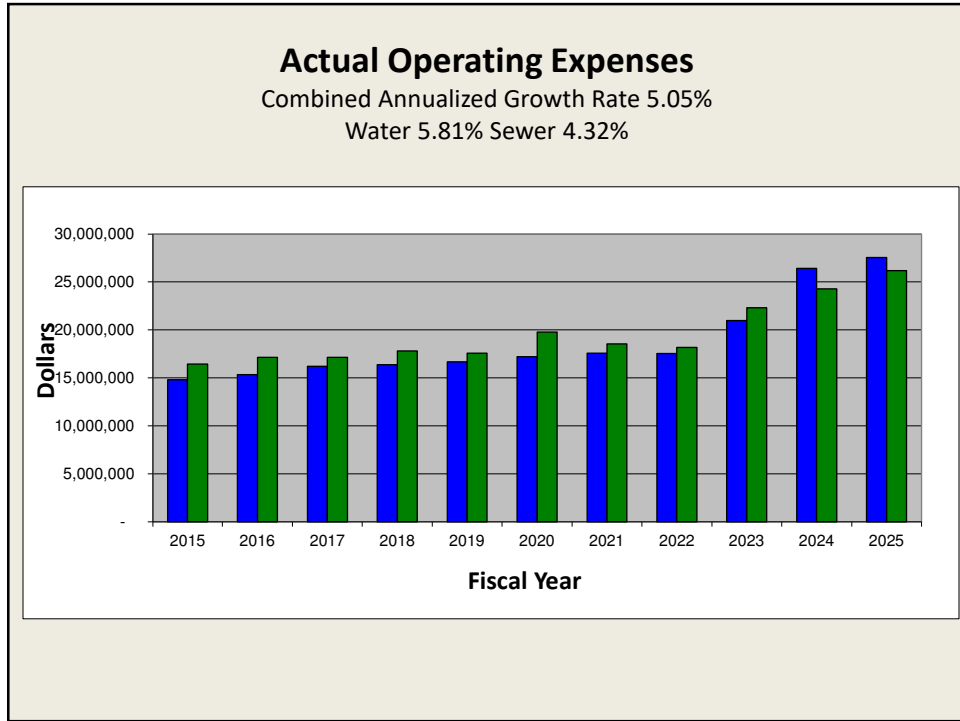
- Personnel and Operation & Maintenance Expenses
- Affordability and Consumption Trends
- Recommendations on Rate Changes
- Summary of Revenues

3



Expenses

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- ### Personnel & Benefits
- **Current Full Time Positions – 319**
 - Proposing an additional 7 employees
 - 4 for Water Construction Crew
 - 3 Plant Maintenance
 - **Salaries**
 - 3% Merit Increase
 - Increase of \$741,650 which includes FICA
 - **Roanoke City Retirement**
 - Increase in Employer Contribution Rate from 21.29% to 22.02%
 - **Virginia Retirement System**
 - Retirement - Employer Contribution Rate decrease of 4.37% to 4.08%
 - Life Insurance - decrease from 1.18% to 1.06%

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Personnel & Benefits

- Health & Dental Insurance Rates
 - Proposing a 4% increase to the various health plans.
 - Proposing a 10% increase to various dental plans.
 - Industry data suggests health costs increasing 8.5%.

KeyCare 25/500 (PPO)	AUTHORITY MONTHLY RATE			EMPLOYEE MONTHLY RATE			
	Health	Dental	Total	Health	Dental	Total	Dollar Increase
Subscriber	\$1,009.54	\$29.30	\$1,038.85	\$74.68	\$2.18	\$76.86	\$3.08
Subscriber + Child	\$1,591.78	\$41.90	\$1,633.68	\$420.88	\$11.08	\$431.96	\$17.78
Subscriber + Spouse	\$1,491.18	\$39.26	\$1,530.44	\$520.84	\$13.72	\$534.56	\$21.30
Family	\$2,202.46	\$87.30	\$2,289.77	\$691.22	\$27.40	\$718.62	\$29.10

Anthem HSA 3200 HIGH DEDUCTIBLE HEALTH PLAN (HDHP)	AUTHORITY MONTHLY RATE			EMPLOYEE MONTHLY RATE			
	Health	Dental	Total	Health	Dental	Total	Dollar Increase
Subscriber	\$885.22	\$31.46	\$916.68	\$6.08	\$2.16	\$8.24	\$0.44
Subscriber + Child	\$1,429.94	\$46.08	\$1,476.02	\$213.68	\$6.92	\$220.60	\$8.86
Subscriber + Spouse	\$1,359.62	\$43.78	\$1,403.40	\$284.02	\$9.18	\$293.20	\$11.76
Family	\$2,002.60	\$97.50	\$2,100.11	\$353.44	\$17.20	\$370.64	\$15.16

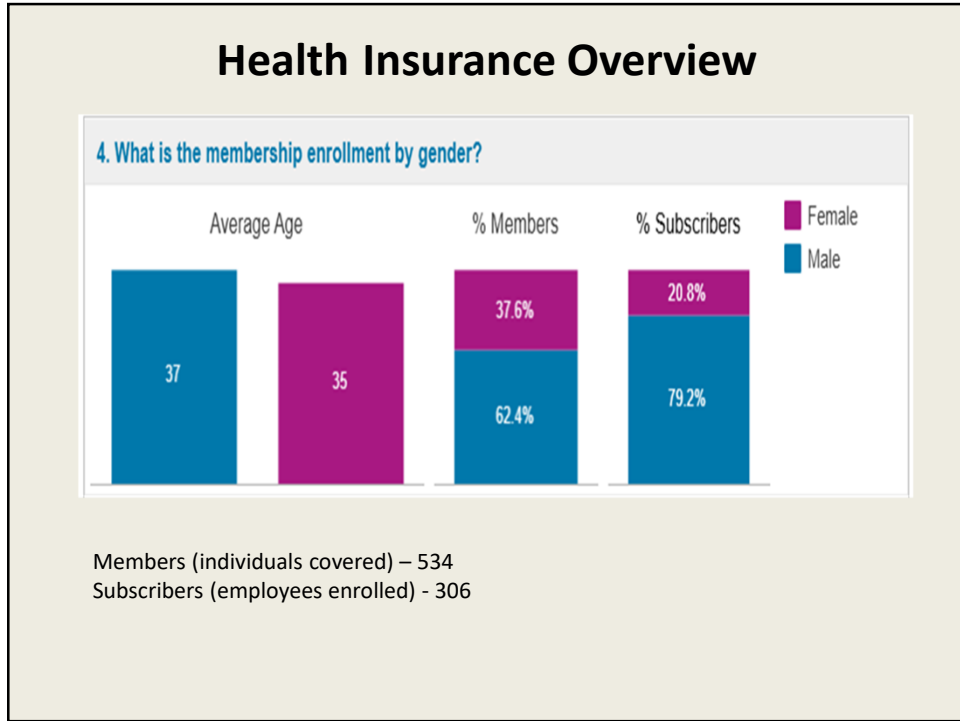
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Health Insurance Overview

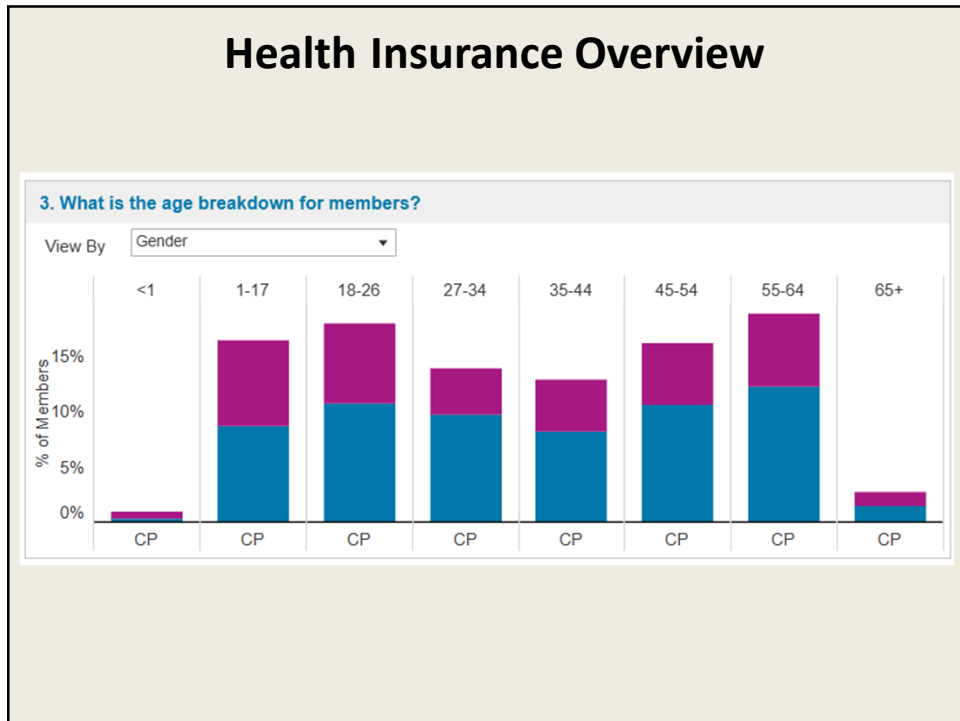
Total Paid Medical and Pharmacy Claims

Description	July 23 - June 24	July 24 - June 25	July 25 - Feb 26
	FY2024	FY2025	FY2026 so far
Medical	\$2,662,451	\$2,584,200	\$1,366,063
Pharmacy	\$1,078,138	\$1,093,672	\$749,437
Total	\$3,740,589	\$3,667,872	\$2,115,500
Medical %	71%	70%	65%
Pharmacy %	29%	30%	35%
Medical PMPM Avg	\$434.39	\$405.53	\$326.02
Pharmacy PMPM Avg	\$175.96	\$170.78	\$178.74

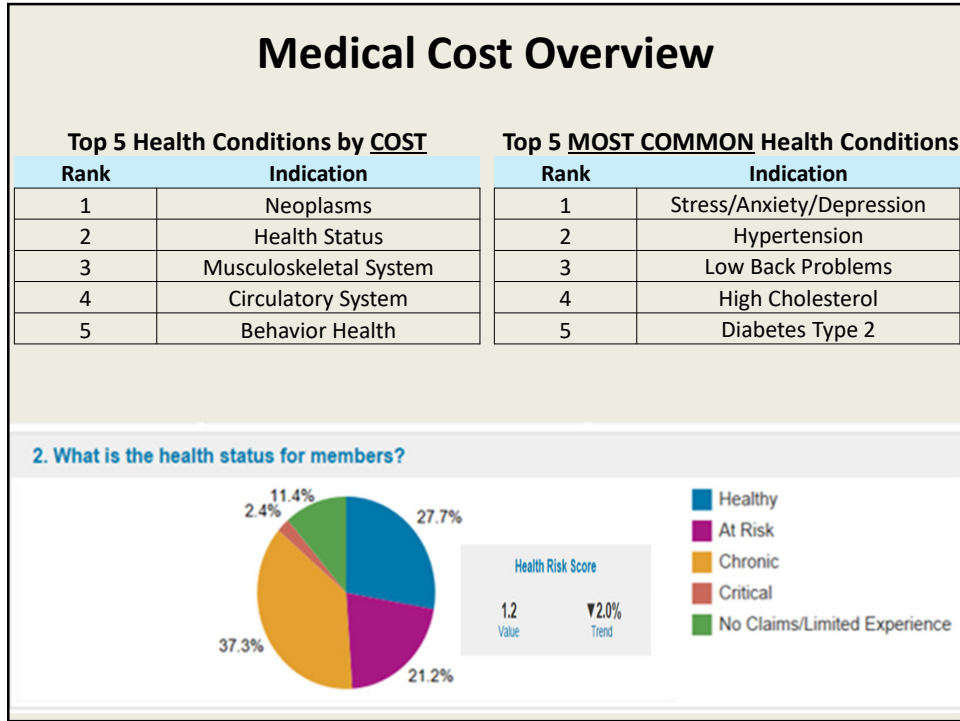
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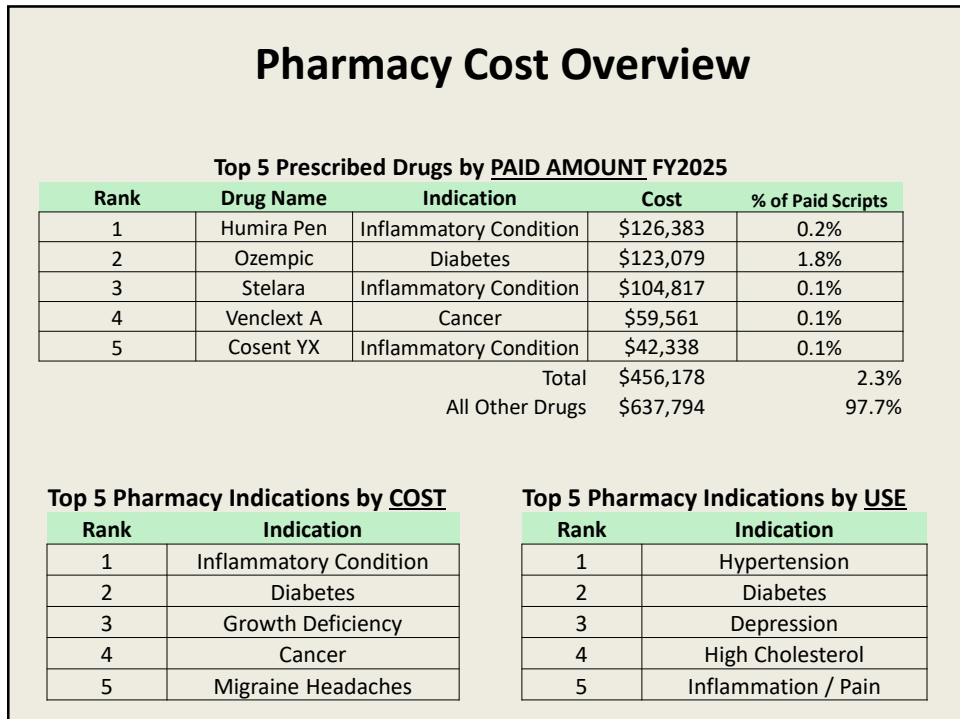
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Summary of Expenses - Water

Water Quality	2027	2026	Change	% Change
Reservoir Operations	\$ 514,477	\$ 482,775	\$ 31,702	7%
Carvins Cove WTP	2,927,830	2,762,013	165,817	6%
Spring Hollow WTP	2,562,668	3,256,226	(693,558)	-21%
Crystal Spring WTP	771,306	715,485	55,821	8%
Falling Creek WTP	66,250	69,250	(3,000)	-4%
Muse Spring WTP	280,348	269,357	10,991	4%
Community Water Systems	1,360,695	1,475,434	(114,739)	-8%
Contract Services	136,861	108,676	28,185	26%
Smith Mountain Lake System	192,000	150,000	42,000	28%
Laboratory Services	601,800	527,337	74,463	14%
Pump and Storage Operations	1,779,922	1,676,760	103,162	6%
Water Quality Administration	1,465,702	1,569,280	(103,578)	-7%
Customer Operations				
Water Distribution Maintenance	8,365,553	7,652,289	713,264	9%
Customer Operations Administration	829,348	791,642	37,706	5%
Meter Operations	1,652,654	1,578,494	74,160	5%
Billing Administration	1,320,122	1,262,461	57,661	5%
Information Technology	1,101,054	1,057,341	43,713	4%
Administration & Engineering				
Internal Services	3,980,400	3,969,009	11,391	0%
	\$29,908,990	\$29,373,829	\$ 535,161	2%

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Summary of Expenses - Sewer

Water Quality	2027	2026	Change	% Change
Metering & Lift Stations	\$ 485,541	\$ 475,871	\$ 9,670	2%
Water Pollution Control - Collection System Metering	209,000	183,000	26,000	14%
Water Pollution Control Operations	7,222,282	6,623,327	598,955	9%
Biosolids Handling	1,925,000	1,737,000	188,000	11%
Process & Facilities Maintenance	2,466,120	2,215,985	250,135	11%
Environmental Programs	1,597,408	1,585,777	11,631	1%
Contract Services	172,142	161,356	10,786	7%
Community Wastewater Water	1,429,431	1,289,765	139,666	11%
Water Quality Administration	1,240,527	1,185,185	55,342	5%
Customer Operations				
WPC Collection Maintenance	6,311,959	6,171,696	140,263	2%
Customer Operations Administration	829,348	791,642	37,706	5%
Billing Operations	1,320,122	1,262,461	57,661	5%
Information Technology	1,101,054	1,057,341	43,713	4%
Administration & Engineering				
Internal Services	3,980,400	3,969,009	11,391	0%
	\$30,290,334	\$28,709,415	\$ 1,580,919	6%

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Combined Expenses - WVWA

	FY2027 Budget	FY2026 Budget	% Change
Personnel & Benefits	\$33,061,430	\$31,773,106	4.05%
Operating & Maintenance	\$27,477,644	\$26,643,238	3.13%
 Total Water & WPC Fund	 \$60,539,074	 \$58,416,344	 3.63%

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Water and Sewer Rates & Fees

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Affordability and Customer Assistance

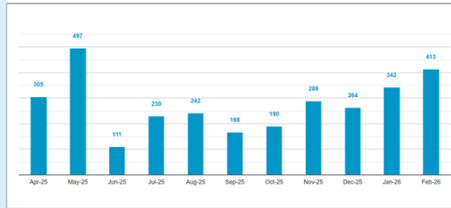
2025 HomeServe Revenue/Authority Cares Assistance

- Account Balance \$133,382
- Averaging \$21,320 per month in revenue
- Averaging \$19,887 in pledges to customers

HomeServe Statistics	
Number of Customers with At Least One Policy	8,151
Number of Plans Sold	16,314
Retention Rate	81.22%

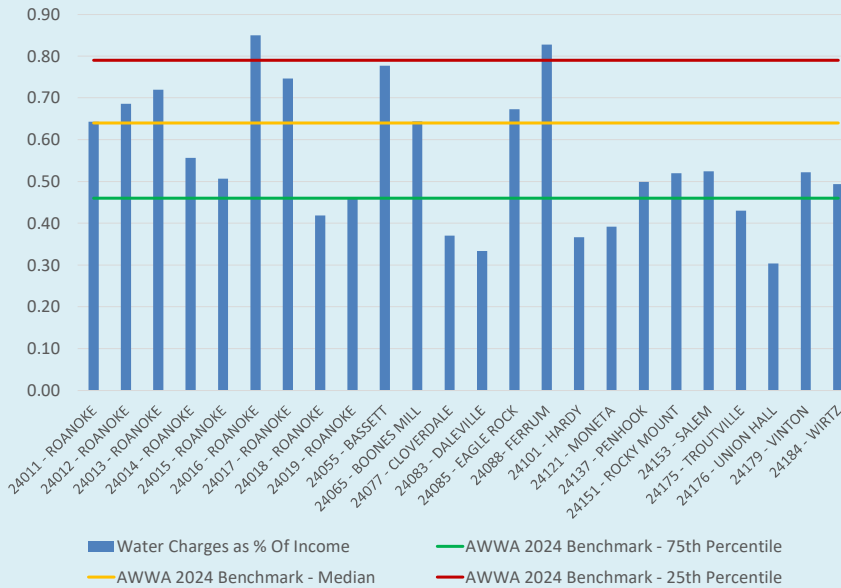
(Data as of 3/13/2026)

New Enrollments by Month (avg. 254/month)

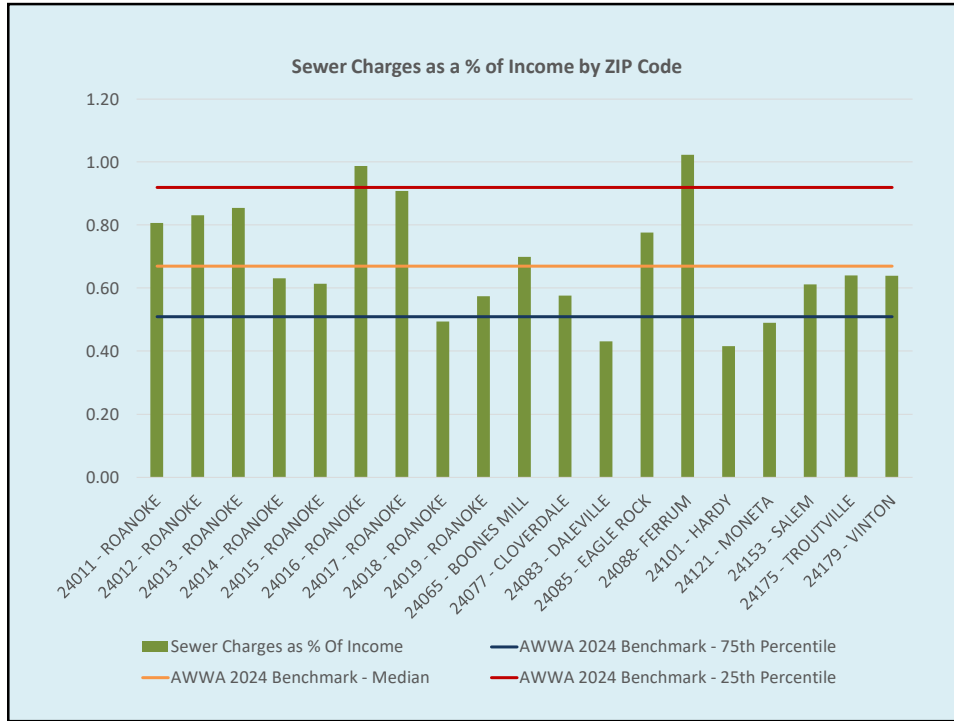


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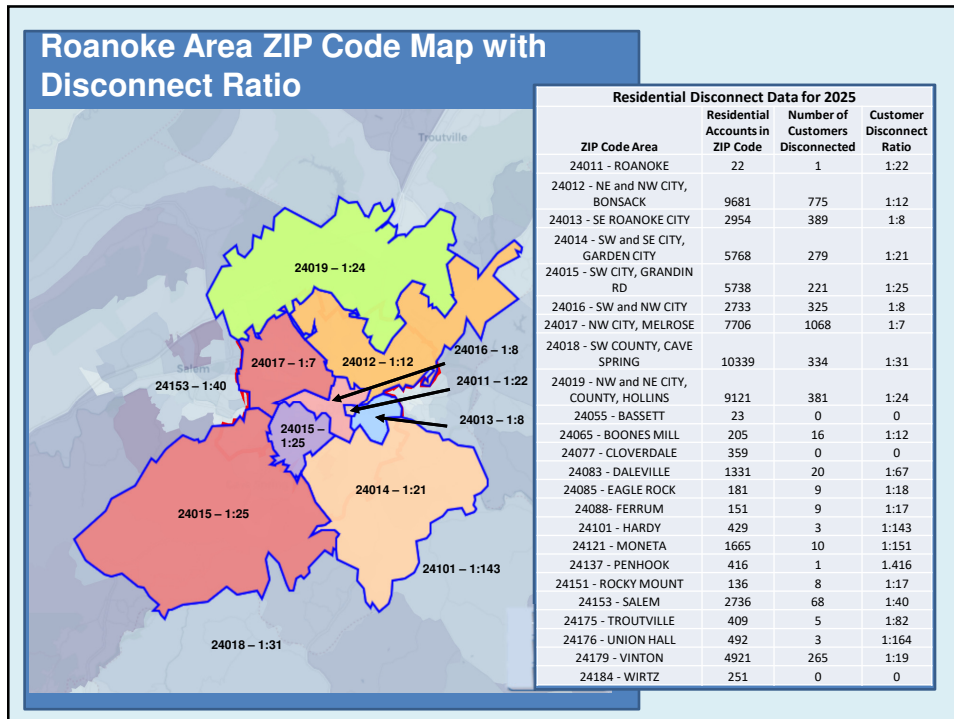
Water Charges as a % of Income by ZIP Code



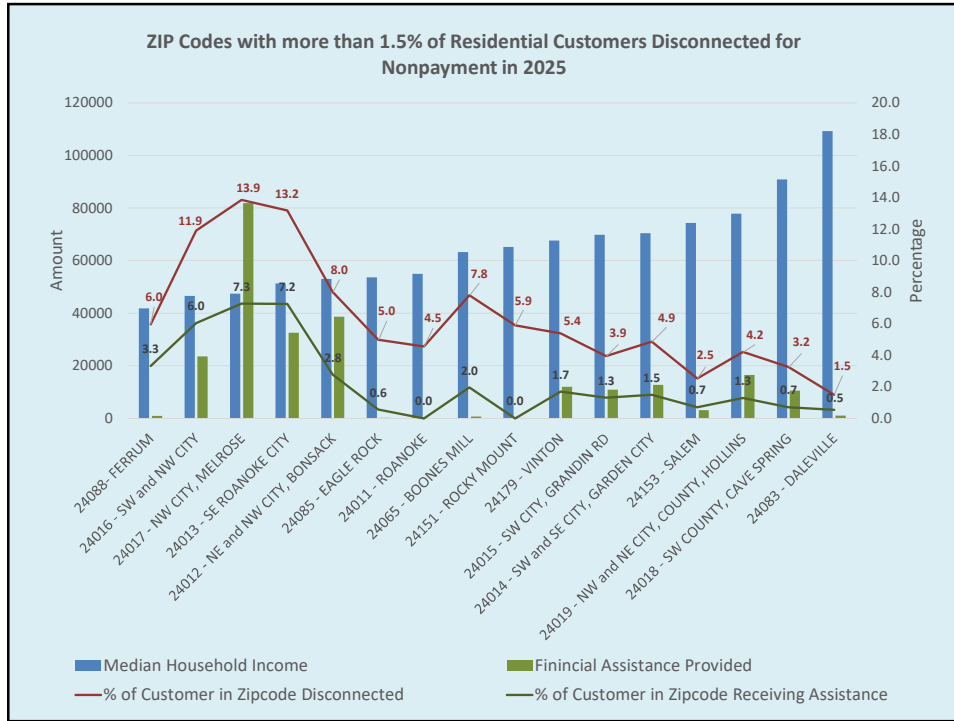
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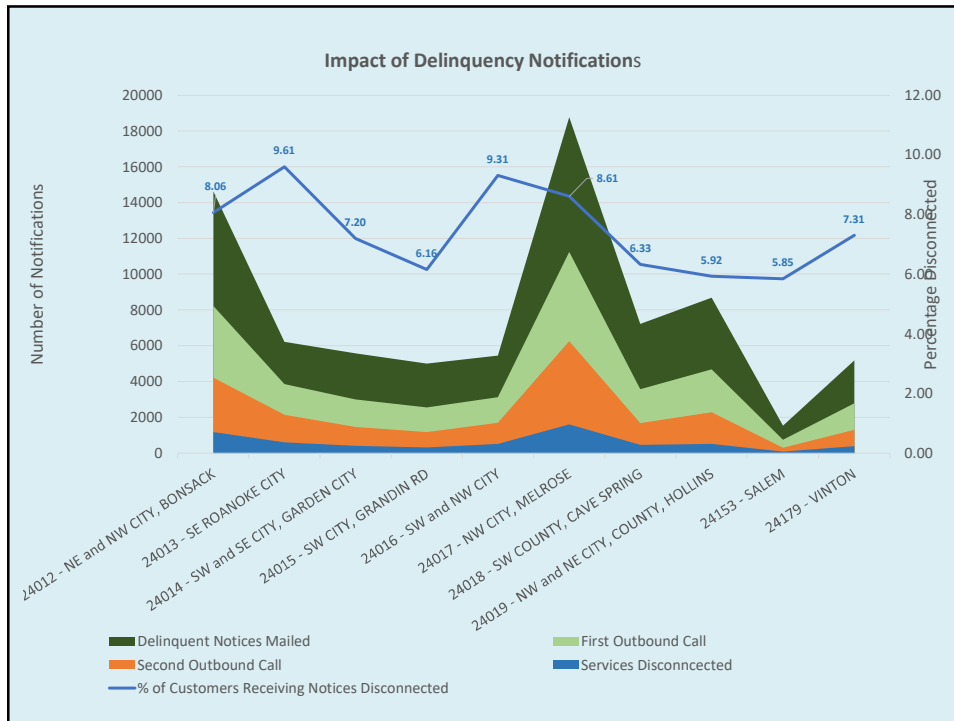
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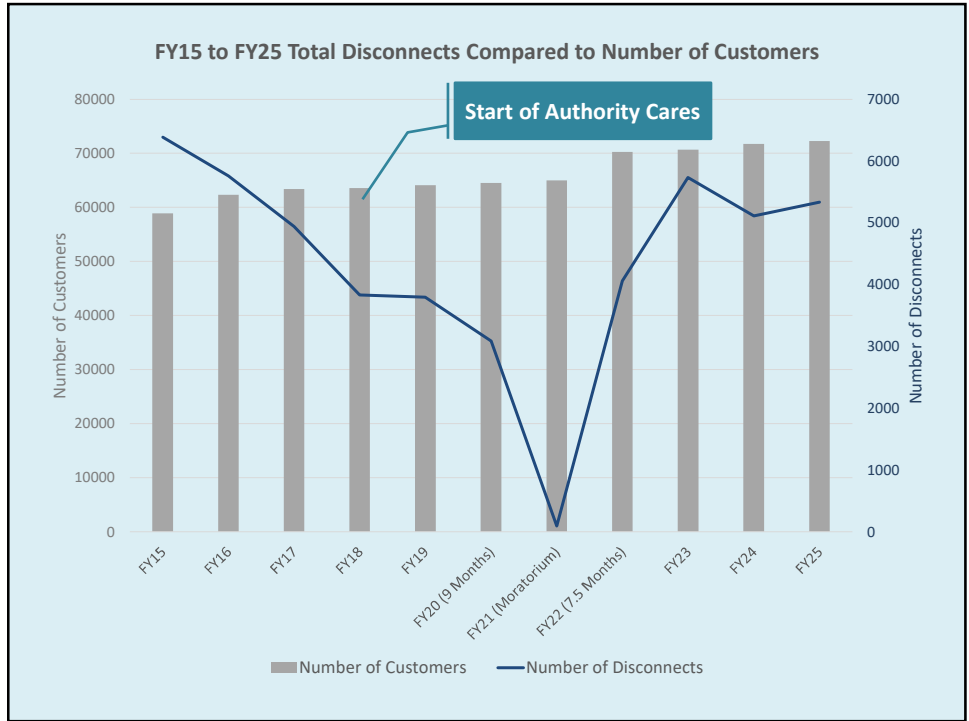
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Retail Revenue Assumptions

Connections Budgeted	Water	Sewer
Roanoke Area	58,672	54,536
Franklin County	3,885	332
Botetourt	2,036	3,403
Vinton	5,216	4,841
Total	69,809	63,112
Consumption (000s gallons)	5,400,000	4,338,240

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Rate Development Plan

- Rates proposed are effective for October 2026
- **All Jurisdictions**
 - No Base Rate change
 - Volume Rate change for both water and sewer for Tier 1
 - For a water customer Tier 1 rate will increase from \$3.35 to \$3.50 per 1,000 gallons.
 - For a sewer customer Tier 1 rate will increase from \$4.20 to \$4.50 per 1,000 gallons.

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Rate Development Plan

- Average residential usage 3,800 gallons.
- **Estimated Bill for:**
 - For an average residential customer using 4,000 gallons:
 - Proposing an increase of \$0.60 to the volume charge. Increases the water residential monthly bill from \$31.45 to \$32.05, or 1.9%
 - Proposing an increase of \$1.20 to the volume charge. Increases the sewer residential monthly bill from \$42.70 to \$43.90 or 2.8%
 - Combined bill for a residential customer using 4,000 gallons increases \$1.80 from \$74.15 to \$75.95, or 2.4%

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Proposed Other Fee Changes

- **Availability & Connection Fees**
 - No changes to the fees.
- **Irrigation**
 - Tier rate increase from \$5.50 to \$6.00
- **Septage Disposal Rates**
 - Proposing 3% increase
 - Within Our jurisdiction, Current \$56.65 per 1,000 gallons, Proposed to \$58.35 per 1,000 gallons, Increase of \$1.70 per 1,000 gallons or 3.0%
 - Out of Jurisdiction, Current \$76.05 per 1,000 gallons, Proposed to \$78.35 per 1,000 gallons, Increase of \$2.30 per 1,000 gallons or 3.0%

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Proposed Other Fee Changes

- **Grease Trap Waste Rates**
 - Proposing 3% increase
 - Within our jurisdiction, Current \$76.05 per 1,000 gallons, Proposed to \$78.35 per 1,000 gallons, Increase of \$2.30 per 1,000 gallons or 3.0%
 - Out of Jurisdiction, Current \$110 per 1,000 gallons, Proposed to \$113.50 per 1,000 gallons, Increase of \$3.50 per 1,000 gallons or 3.0%
- **Tier 4 Rate**
 - Staff evaluating a Tier 4 rate

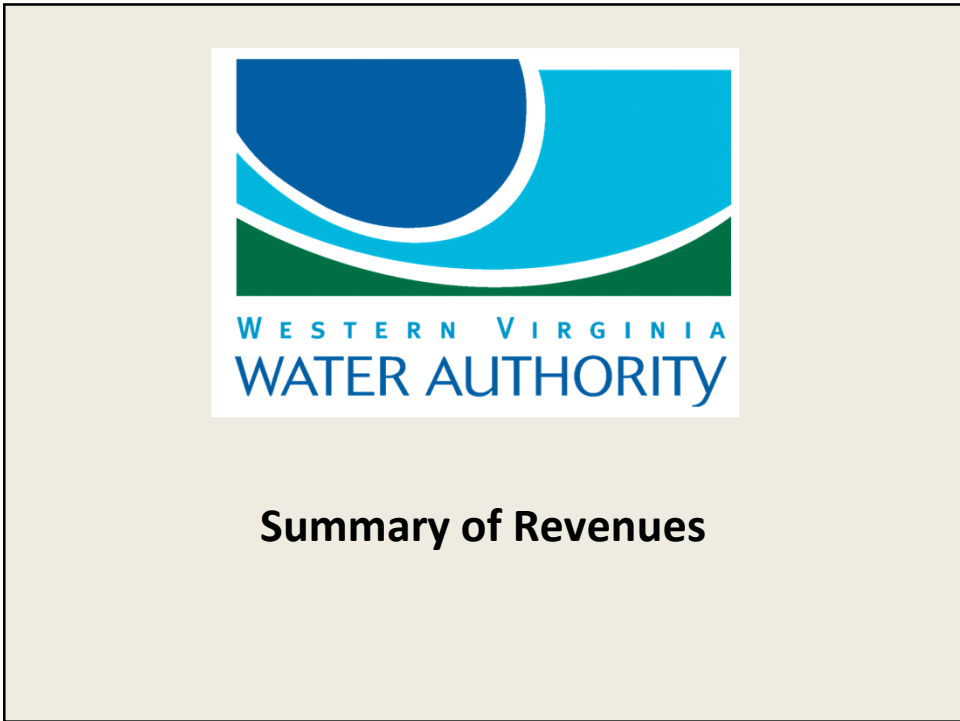
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Monthly Bill Comparison vs MHI

Metric	Median Household Income (MHI)	Water Avg. Monthly Bill	Water Bill as a % of MHI	Sewer Avg. Monthly Bill	Sewer Bill as a % of MHI	Combined Bill as a % of MHI
City of Roanoke	\$55,378	\$32.05	0.69%	\$42.70	0.95%	1.65%
Roanoke County	\$83,709	\$32.05	0.46%	\$42.70	0.63%	1.09%
Franklin County	\$68,849	\$32.05	0.56%	\$42.70	0.77%	1.32%
Botetourt County	\$81,378	\$32.05	0.47%	\$42.70	0.65%	1.12%
Town of Vinton	\$65,445	\$32.05	0.59%	\$42.70	0.80%	1.39%

Proposed 2026 Rates used to calculate monthly cost
 2024 MHI data used to calculate % MHI
 EPA Affordability Cap is 4% for Combined Bill

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Summary of Revenues - Water				
Water Revenues	2027	2026	Change	% Change
Retail Sales-WVWA	\$44,456,552	\$42,272,410	\$2,184,142	5%
Total Retail Sales	\$44,456,552	\$42,272,410	\$2,184,142	5%
Operating Income				
Connection Fees	\$315,000	\$300,000	\$15,000	5%
Bulk Sales	112,500	110,000	2,500	2%
Fire Service	1,847,472	1,798,599	48,873	3%
Contract Sales	230,672	222,929	7,743	3%
Other Income	1,590,000	1,625,000	(35,000)	-2%
Total Operating Income	\$4,095,644	\$4,056,528	\$39,116	1%
Non Operating Income				
Investment Income	\$1,500,000	\$1,500,000	\$ -	0%
Rental Income	813,370	839,678	(26,308)	-3%
Office Building Income	89,374	89,255	119	0%
Availability Fees	1,300,000	1,150,000	150,000	13%
Contributed Capital-Locality Payments	851,013	860,609	(9,596)	-1%
Contributed Capital-Dedicated Facilities	750,000	750,000	-	0%
Other Income	529,190	2,375,000	(1,845,810)	-78%
Total Non Operating Income	\$5,832,947	\$7,564,542	(\$1,731,595)	-23%
Total Water Income	\$54,385,143	\$53,893,480	\$491,663	1%

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Summary of Revenues - Sewer				
Sewer Revenues	2027	2026	Change	% Change
Retail Sales-WVWA	\$45,547,098	\$43,789,334	\$1,757,764	4%
Total Retail Sales	\$45,547,098	\$43,789,334	\$1,757,764	4%
Operating Income				
Connection Fees	\$145,000	\$130,000	\$15,000	12%
Bulk Sales	1,800,000	2,000,000	(200,000)	-10%
Septic Disposal	785,000	765,000	20,000	3%
Contract Sales	364,731	355,565	9,166	3%
Other Income	1,170,000	1,155,000	15,000	1%
Total Operating Income	\$4,264,731	\$4,405,565	(\$140,834)	-3%
Non Operating Income				
Investment Income	\$1,000,000	\$1,000,000	\$ -	0%
Office Building Income	89,374	89,255	119	0%
Availability Fees	1,300,000	1,150,000	150,000	13%
Plant Capital from Local Jurisdictions	296,093	296,093	-	0%
Contributed Capital	929,211	935,803	(6,592)	-1%
Contributed Capital-Dedicated Facilities	750,000	750,000	-	0%
Other Income	157,400	457,400	(300,000)	-66%
Total Non Operating Income	4,522,078	4,678,551	(\$156,473)	-3%
Total Sewer Income	\$54,333,907	\$52,873,450	\$1,460,457	3%

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Fiscal Year 2027 Budget Summary

	<u>Water Fund</u>	<u>Sewer Fund</u>
• Revenue*	\$ 54,385,143	\$ 54,333,907
• Expenses	\$ 30,078,865	\$30,460,209

Total Revenue	\$108.72M
Total Expenses	\$60.54M
Total Available for Debt & Capital	\$48.18M

*Excludes Non Cash Revenue from Developers and Non Cash Expense Depreciation

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Discussion

Thank You!

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