

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

The Board of the Western Virginia Water Authority (WVWA) met on Thursday, March 19, 2026, in the Board Room at 601 S. Jefferson Street, Roanoke, Virginia. Board Chair Mike Loveman called the meeting to order at 3:00 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

STAFF PRESENT IN PERSON:

Mike McEvoy, Executive Director; Tammy Lawfield, Director of Finance and Board Treasurer; Gayle Shrewsbury, Board Secretary; Sarah Baumgardner, Director of PR and Assistant Board Secretary; Scott Shirley, COO Water Quality; Leana Stoltz, COO Customer Operations; Trent Cox, Deputy COO Customer Operations; Bryan Thompson, Special Conservator of Peace; Will Bulloss, Chief Strategy Officer; and Neil Norris, Director of HR.

STAFF PRESENT VIA VIDEO CONFERENCE:

Michelle Caruthers, Director of Plant Operations; Scott Kroll, Director of Infrastructure Development; Jennifer Meeks, Assistant Director of Finance; Robyn Tuck, Assistant Director of Risk Management and HR; Jamie Morris, Capital Projects Manager; Eric Powers, Water Production Manager; Joseph Arthur, Project Manager Engineering; Randall Fulton, Engineer II; Stephen Estes, Engineer II; Joel Bostic, Water Quality Asset Management Strategist; Mackenzie Wilcox, Recruitment, Retention and DEI Coordinator; and Laura Schirmer, Communications Specialist.

OTHERS PRESENT:

Jeremy Carroll, Counsel for the Authority; Brandon Flora, Whitman, Requardt & Associates, LLP (participated by video conference); Paula Moore, Whitman, Requardt & Associates, LLP (participated by video conference); Nick Robertson, Kimley-Horn (participated by video conference); Citizens: Julie Bivins; Mike Burgeon; Courtney Foxe; Monica Johnson, WSLs; Martha Kastler; Holly Morrison; Maira Morrison; Dee Dee Noble; Russell Painter; Alexia

Partouche, Roanoke Times; Dr. Rebecca E Ross; and Nicholas Smith; and "wabc" (participated by video conference).

Chair Loveman reported that a request had been made to amend the agenda by adding "Report from Committee Chairs" following the "Report from Authority Counsel" item. With no objections raised, the agenda was amended accordingly.

APPROVAL OF MINUTES: Mr. Young moved approval of the March 19, 2026, Compensation Committee meeting minutes and the March 19, 2026 Board meeting minutes. Ms. Turner seconded the motion and both sets of minutes were approved by unanimous voice vote.

Mr. Halliwill joined the meeting at 3:03 p.m.

CITIZENS COMMENTS: Julie Bivens shared comments.

COMMUNICATION FROM EXECUTIVE DIRECTOR FOR THE MONTH OF MARCH 2026: Mr. McEvoy gave a summary of the 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.

Discussion/Questions:

~ Drought Plan: In response to a citizen inquiry, Mr. McEvoy stated that the Authority's drought plan has been in place since its inception, and staff have recently discussed the need for updates. A question was raised regarding whether contractual customers would be subject to any revised provisions, and staff confirmed that existing contract terms permit amendments and would apply accordingly.

~ Potential Board Field Trip: Mr. McEvoy invited the board to plan a site visit, possibly for the May board meeting, to view the Beaver Dam project and Hollins Pump Station. Additional discussion included holding part of the meeting at the Carvins Cove cabin.

~ Data Center Event with Roanoke Chamber of Commerce: April 14th the Authority will participate in a panel discussion at the event.

FINANCIAL REPORTS FOR THE MONTH OF MARCH 2026: Ms. Lawfield noted that year-to-date February 2026 represented 67% 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 71% and 66%, respectively, of budget. Retail revenues for the Water fund were 66% and WPC fund were 67%. Non-operating revenues for Water were 152% and WPC were 103% 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 60% and WPC were 63%. The Operating Margins for Water and WPC were 89% and 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 addressed a question regarding the variance in contributed capital revenues exceeding the budget, explaining it was due to timing differences in billing and one-time payments. It was noted the related capital had been recognized in prior periods and was not expected to recur.

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 Litigation;
4. Idlewood Shores;
5. New Hope Church;
6. Wallace Avenue; and
7. Miscellaneous Issues.

REPORT FROM COMMITTEE CHAIRS: Mr. Young, Chair of the Compensation Committee, reported that the committee met to discuss potential changes to sick leave and FMLA policies; the discussion was tabled pending state legislation changes. Matters concerning annual pay increases and insurance costs were deferred to the board meeting budget presentation.

FY 2027 BUDGET DEVELOPMENT – REVENUES, RATES AND EXPENSES: Staff presented a report regarding FY27 Budget Development – Revenues, Rates and Expenses. A copy of this report is attached to the approved minutes.

Discussion took place:

~ The Authority contributes to employee HSA funds for those enrolled in the high-deductible health plan. No additional cost is incurred when a spouse is covered under the Authority's insurance plan despite having access to coverage through their own employer.

~ The proposed salary increase is not substantially offset by rising healthcare costs, though such costs do have some impact on employees.

- ~ Employer/employee contribution ratios are benchmarked, with results showing variability among peers and slightly more generous family coverage.
- ~ Analyses are conducted to assess the impact of insurance costs on lower-paid employees, with outcomes varying based on individual circumstances and plan selections.
- ~ Total compensation information is communicated to employees, primarily during open enrollment.
- ~ Reported claims figures include total costs, encompassing both employer and employee contributions.
- ~ Excluding one specific item (GAC at Spring Hollow), recurring expenses are projected to rise over 4% next year, with certain areas potentially increasing by 5–6%.
- ~ In the report benchmark data represents averages rather than exact patterns and emphasized the need for detailed benchmarking and demographic breakdowns, including customer distribution, income bands, and zip code-level analysis, to compare the Authority's rates and impacts to other communities and identify any unusual trends or areas with higher disconnections.
- ~ Importance of structuring water rates to encourage conservation, suggesting a combination of an availability fee for large-capacity allocations and traditional usage-based charges, so that customers pay less when they use less while still contributing to the costs of maintaining large facilities.
- ~ The impact of proposed rate increases on local restaurants and noted that a small increase, around 1–3%, would have minimal financial effect on the Authority while keeping fees manageable for affected businesses.
- ~ Projected expense growth, approximately 4.8% when excluding one-time costs, outpaces revenue increases, potentially reducing the amount available for future system reinvestment and warranting further review.
- ~ Potential for converting grease waste into biodiesel through regional collaboration, noting interest in exploring a centralized facility in Southwest Virginia and plans to visit an existing operation for evaluation.
- ~ Median income may not fully reflect affordability, as it can mask the impact on lower-income households.

CLOSED SESSION: At 4:50 p.m., Mr. Caywood made a motion to go into Closed session (i) pursuant to Virginia Code § 2.2-3711(A)(1), for the purpose of discussion and consideration of the assignment, appointment, performance, and/or resignation of the Executive Director and other Senior Executive Staff; (ii) pursuant to Virginia Code § 2.2-3711(A)(7), for the purpose of consultation with legal counsel and briefings by staff pertaining to actual litigation concerning the Virginia Freedom of Information Act pending in the Virginia Court of Appeals, where consultation or briefing in an open meeting would adversely affect the Authority's negotiating or litigating posture; (iii) pursuant to Virginia Code § 2.2-3711(A)(8), for the purpose of consultation with the Authority's legal counsel regarding specific legal matters, namely the foregoing litigation, requiring the provision of legal advice by such counsel; and (iv) pursuant to Virginia Code § 2.2-3711(A)(29), for the purpose of

discussing the award of a public relations contract involving the expenditure of public funds, and discussion of the terms or scope of such contract, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the public body.

The motion was seconded by Mr. Hancock and approved by the following roll call vote:

AYES: Brookins, Caywood, Halliwill, Hancock, Holland, Loveman, Turner, Young ----- 8

NAYS: ----- 0

Mr. Halliwill left the closed meeting at 5:11 p.m.

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

CERTIFICATION OF CLOSED MEETING: At 5:20 p.m., 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, Hancock, Holland, Loveman, Turner, Young ----- 7

NAYS: ----- 0

Mr. Loveman adjourned the Board meeting at 5:20 p.m.

Citizen written submission:

If the water authority has known for some time now that we will need a new water supply by 2060 (I think that I read, since 2003). What funding options have you been looking into for this project already? Has a plan been developed for this? If so, what was it? If not, why not? Why are you suddenly in this place where it sounds like you are needing to depend on Google to fill the role as the funding agent for this?

Could you also please clarify when a new water source will actually be needed with the additional of Google's 2-8 million gallons of water a day. The Western VA Water Authority Public Water Projected Surplus/Deficit (2006-2060) graph shows that we will run out of water in the 2030s, and BoCo's attorney Mr. Lockaby also reported that we will now need a new source by the 2030s. Yet you all have made statements on the news lately that the new date for an additional water source is the 2050s. Which is it? Those twenty years are pretty significant since it can take 15-20 years to even build the infrastructure needed for that.

Can you provide information on the drought contingency plan specifically for Google. Your website says "Google will be subject to the Authority's Drought Contingency Plan and General Business Rules and Regulations, the same as any other customer of the Authority" but they are not just any other customer— they are using upwards of 30% more than your top single use customer. What happens if we are in a drought in the hottest time of the year when Google will "need" all 8 million gallons? What is the plan for this?

Julie Bivins
520 Allison Ave SW Roanoke VA 24016
purkinjii@protonmail.com

APPROVED: April 16, 2026



Gayle Shrewsbury

Gayle Shrewsbury, Secretary
WVWA Board of Directors