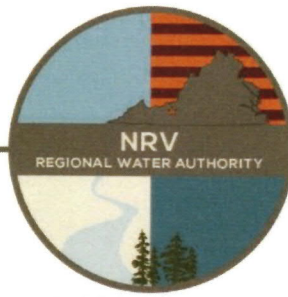


3515 PEPPERS FERRY ROAD

RADFORD, VA 24141



P: 540.639.2575 • F: 540.639.0229

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MEMBERS OF THE BOARD

William R. Knocke, Chairman
Marc A. Verniel, Vice-Chairman
Wayne O. Nelson, Secretary
F. Craig Meadows, Treasurer
Christopher H. Kiwus

Caleb M. Taylor, P.E.
Executive Director

Meeting Minutes

NRV Regional Water Authority Board

January 22, 2020

Board / Staff Members Present: William R. Knocke, Marc A. Verniel, Wayne O. Nelson, F. Craig Meadows, Christopher Kiwus, Caleb M. Taylor, Sharon T. Huff, Jim Guynn, Guynn, Waddell, Carroll, & Lockaby

Guests Present: Eric Anderson, CHA; Paula Moore, Whitman Requardt & Associates

Absent:

Location: NRV Regional Water Authority

1. The meeting convened at approximately 4:03 p.m.
2. Bill asked if there was a motion to approve the agenda presented to the Board for the January 22, 2020 Water Authority Board meeting. Wayne made a motion to accept the agenda as presented. Craig seconded the motion all were in favor.
3. Secretary's Report:
 - a. Board minutes for the Wednesday, December 18, 2019 meeting were reviewed.
 - b. A motion to accept the December 18, 2019 meeting minutes was made by Wayne and seconded by Marc. All were in favor.
4. Treasurer's Report:

The December financial reports were distributed to Board members prior to the meeting. There was some discussion about the financial reports. The December financials included the balance sheet based on the approved audit from the October 2019 meeting. Craig made a motion to accept the financial reports as presented. Wayne seconded the motion. All were in favor.

5. Executive Director's Report

a. Operations Highlights:

None at this time.

b. Metered Consumption:

Caleb provided the water consumption chart as well as the December water report in the Board packet. Water consumption was 6.9% higher than compared to the past five year's consumption in the month of December.

c. Previous and Current Business

i. Water Treatment Plant Modernization:

Phase 1 Contract 2 construction continues to progress. The contractor is more than 90 days behind schedule. Caleb has met with owner of the company. They have added additional resources to get the project progressing more rapidly. Caleb has indicated that the potential of liquidated damages for not meeting the contract deadline have been discussed. Caleb has discussed this with Jim. Caleb intends for the plant modernization project to start on schedule. If needed, administration will be working out of trailers until the new administration building construction is complete. Progress meetings for Phase 1 Contract 2 are now being held every two weeks.

The 90% design meeting for the WTP Modernization Project was rescheduled. The presentation on the 90% target proposal price for the project will be made at the February meeting.

ii. Joinder Project (Plum Creek):

Contracts 1, 2, and 3 construction continues to progress. This week the inspector contacted Chuck Campbell with the MCPSA to let them know that the valve for the MCPSA's connection to the Authority's transmission line has been installed for Contract 1. The contractor is preparing construction activities for Contract 2 such as blasting specific known areas of rock prior to transmission line construction. For Contract 3, the footers have been dug and preparing to pour them in the next couple of weeks.

Stevie Steele met with the MCPSA/County's engineer, Hurt and Proffitt, to discuss the regional water quality modeling results. Craig indicated that the MCPSA/County is meeting with Hurt and Proffitt to discuss alignment plans on Friday. Once the MCPSA/County have approved alignments for system connections, Stevie will finalize the regional water quality study and submit to VDH for approval.

iii. FY 2021-2025 Wholesale Water Rates:

Caleb has reflected on this item and the discussions at the previous meetings. He understands the concerns from the County and both Towns about opening the rates back

up for discussion. Caleb recommended to move forward with the approved rates through FY2022. At that time, the WTP Modernization project will be well through construction, Plum Creek project will be complete and in operation and studies looking at some longer-range capital improvement projects such as transmission line replacement should be complete. Caleb indicated to the Board that the rates presented to them in late summer of 2019 evaluated rate increases of 2 and 3%. These rate increases were lower because of the switching of the FY2021 and FY2022 rates to help build cash reserves for the projected CIP projects in the next 5-7 years. Since we are not changing the current approved wholesale water rates, Caleb anticipated that the projected wholesale water rates for FY2023-2028 would be larger increases than the 2 and 3% that were presented to the Board in 2019. Craig believed Caleb's recommendation was a good idea. Marc and Wayne agreed that is a good idea as well. The Board acknowledged Caleb's comment on future wholesale water rates. Bill recommended it would be a good idea to have a timeline on this project as well as costs to help update himself and Chris who were not on the Board when the project was started.

d. New Business

None at this time.

6. Public Comments: None

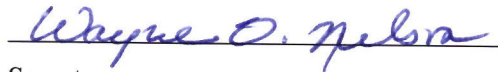
7. Comments from the Board: Bill mentioned the need for cyber security. Caleb indicated how the server is failing. The original server wasn't built to be able to handle all the upgrades that has happened since the server was purchased. There is also a wiring issue in the plant. The wiring is old and unreliable. Caleb discussed some temporary measures that are being done to help carry the Authority through until the wiring is redone during the plant upgrade.

8. Other Business: None

9. The meeting adjourned at 4:33.



Chairman



Secretary