



MEMBERS OF THE BOARD

Sherwood G. Wilson, Chairman
Marc A. Verniel, Vice Chairman
Wayne O. Nelson, Secretary
F. Craig Meadows, Treasurer
William R. Knocke

Caleb M. Taylor, P.E.
Executive Director

Meeting Minutes
NRV Regional Water Authority Board

November 20, 2019

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

Via Phone: Sherwood G. Wilson

Guests Present: Doug Hudgins and Travis Gilmer

Absent: Marc A. Verniel

Location: NRV Regional Water Authority

1. The meeting convened at approximately 4:07 p.m.
2. Secretary's Report:
 - a. Board minutes for the Wednesday, October 16, 2019 meeting were reviewed.
 - b. A motion to accept the October 2019 meeting minutes was made by Craig and seconded by Bill. All were in favor.
3. Treasurer's Report:

The October financial reports were distributed to Board members prior to the meeting. There was some discussion about the financial reports. Caleb indicated that a budget amendment to certain accounts may need to be done after mid-year evaluation. He is going to evaluate the accounts at the beginning of 2020 and meet with Craig. A motion to accept the financial reports, as presented, was made by Craig. Bill seconded the motion. All were in favor.

4. Executive Director's Report

a. Operations Highlights:

Caleb received an email today that the Plum Creek Bond closed as of today. Sherwood indicated how great the bond rate was at 3.109%. Everyone agreed.

b. Metered Consumption:

Caleb provided the water consumption chart as well as the water report for the month of October in the Board packet. Water consumption was 6.5% higher than compared to the past five year's consumption in the month of October.

c. Previous and Current Business

i. FY2018-2019 Audit:

Travis Gilmer with Brown Edwards presented the FY2018-2019 Audit report. Travis indicated how far the Authority has come in the last 5 years with reporting and with internal controls. Travis highlighted a few items in the reports that he felt were important to share with the Board. Travis indicated that the Authority received a clean, unmodified report. The Authority is in good financial position. Travis discussed how far the Authority has come with the segregation of duties. The segregation of duties will always be an issue because there are only two people handling finances at the Authority in addition to the external accountant. Travis remarked how well Caleb and Sharon handle the finances since it is just the two of them working on the finances of the Authority. Travis mentioned how there was only a few minor journal entries this year. Travis mentioned a few items from the management letter. There weren't any new comments in the management letter. Travis mentioned how important it is for the Authority to have a fixed asset software. Especially based on the volume of assets the Authority is going to incur in the near future with the capital improvement projects currently underway. Craig mentioned this was a good audit. Craig indicated how much he has appreciated all the hard work that Caleb, Sharon, and Rebekah have done over the past few years to bring the audit to where it is today. Craig made a motion to accept the audit as presented. Sherwood seconded the motion. All were in favor.

ii. Water Treatment Plant Modernization:

The Phase 1 Contract 2 work continues. The maintenance shop has been constructed and the roof insulation and roof were installed.

Doug discussed the project schedule and 90% design submittal. Doug believes the plans, along with the updated project cost estimate, will be ready to discuss at the January 2020 Board meeting. At that point, CHA and Ulliman Schutte will rectify the numbers and will be ready to go out for bid. He believes the project will be ready for bid in March of 2020.

iii. Joinder Project (Plum Creek):

Construction on all three contracts continues to move forward.

Caleb discussed the fluoride tracer study data with Stevie Steele this morning. CHA has calibrated the regional water model and is working on inputting the anticipated water quality leaving the plant when the upgrades are complete to see how the regional water system changes with respect to water age. Bill asked about where the study is at with respect to water age issues in the Plum Creek area. Craig indicated that the MCPSA's PER and design plans that were submitted to VDH are on hold. The MCPSA and their consulting engineers are going to review the data with respect to alignments once they receive the modeling results from CHA. Craig indicated that Caleb attended the last MCPSA Board meeting on November 4, 2019. Craig believes Caleb's attendance at the meeting was very helpful with the dynamics between the Authority and the MCPSA Board. Sherwood believes it is very important for Caleb to attend as many future MCPSA Board meetings as he can. Sherwood asked if the Authority has any water quality/age issues within the system based on the existing model results. Caleb indicated that he has not seen the results. Stevie is currently working on the model and will review the findings with Caleb once he has everything modeled (existing and future). Stevie will then coordinate his findings with Hurt & Proffitt (MCPSA's engineer) and then present the findings to VDH.

iv. FY 2021-2025 Wholesale Water Rates:

Caleb indicated that he put this on the agenda so that the Board can discuss this if needed. Wayne indicated that the capital improvement project bid results and cost estimates support the rate increase. Bill indicated that all that we are looking at doing is reversing when the rates are going to increase (i.e., moving the 5.3% increase from FY2022 to FY2021). Following FY2021, it will be an annual 3% increase after that. Craig indicated that he is going to discuss this when he meets with Marc on Friday. Craig will also discuss this with Wayne to see where Christiansburg stands. Craig indicated that he believes that this should be tabled at this time. All agreed.

d. New Business

None at this time.

6. Public Comments: None

7. Comments from the Board: Caleb read a Resolution of Appreciation for Sherwood G. Wilson for his time serving on the Board. The Resolution has been framed and will be presented to Sherwood at a later date. Sherwood expressed that it has been a joy serving on the Water Authority Board. Wayne mentioned how he doesn't believe the Board would have progressed as much as it has had Sherwood not been appointed to the Board. Everyone thanked Sherwood for his service.

8. Other Business: None

9. The meeting adjourned at 4:53.

M. V. K.
~~Chairman~~ Vice Chairman

Wayne O. Nelson
Secretary