



MEMBERS OF THE BOARD

Sherwood G. Wilson, Chairman
Marc A. Verniei, 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

October 16, 2019

Board / Staff Members Present: Sherwood G. Wilson, Marc A. Verniel, F. Craig Meadows, William R. Knocke, Caleb M. Taylor, Sharon T. Huff, Jim Guynn, Guynn, Waddell, Carroll, & Lockaby

Guests Present: Doug Hudgins, Paula Moore, Adam Parker

Absent:, Wayne O. Nelson

Location: NRV Regional Water Authority

1. The meeting convened at approximately 4:00 p.m.
2. Secretary's Report:
 - a. Board minutes for the Wednesday, September 18, 2019 meeting were reviewed. Craig mentioned under Other Business (item 8) of the September minutes it needs to be corrected to read that "VDH is holding the design on all the projects."
 - b. A motion to accept the September 2019 meeting minutes with that provision was made by Craig and seconded by Bill. All were in favor.
3. Treasurer's Report:

The September financial reports were distributed to Board members prior to the meeting. There was some discussion about the financial reports. Craig mentioned the legal services and other professional services accounts were up. Caleb explained the other professional services account is up because of additional SCADA fees and the annual audit fees. Caleb indicated that he might have to do an amendment for the other professionals account but wanted to wait until mid-year to see how expenses for that account were looking before requesting any budget amendments to the Board. The financial reports were in order. 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:

None at this time.

b. Metered Consumption:

Caleb provided the meter charts as well as the consumption reports for September in the Board packet. There was some discussion about the reports. Water consumption was 13% higher than compared to the past five year's consumption in the month of September.

c. Previous and Current Business

i. Water Treatment Plant Modernization:

Phase 1 Contract 2 work continues on the shop and administration buildings. Ninety percent design review meeting on the plant modernization project will be held tomorrow. Caleb will have a 90% cost estimate next month. Caleb anticipates having 100% design plans by the end of the year. Sherwood's asked Doug Hudgins if the funding route that the Authority is pursuing with VDH was still the best funding option for the Authority. Doug responded that at this time that the VDH funding was still the best option for the Authority. The VDH funding allowed for the loan payments to not start until six months after the project was complete. This would be almost three years based on the project schedule and enable the Authority to build additional cash reserves during this time. Pursuing funding through VRA, while is attractive, would cause the Authority to incur bond payments immediately upon closing of the bond while the project is being constructed. Sherwood asked if these funding options would be reviewed as the project approached 100% design plans. Doug indicated that it would be reviewed to update the Board on the best funding route to pursue.

ii. Joinder Project (Plum Creek):

Contracts 1, 2, and 3 are underway. The first progress meeting was held this morning. Everything is moving forward as planned. Electrical services for the new Chrisman Mill pump station have been requested with Appalachian Power.

The fluoride tracer study is nearing completion. The plan is to reintroduce fluoride back into the system on the 21st. Authority staff will be doing some additional sampling to provide CHA with some additional data to help validate and calibrate the regional water model.

iii. FY 2018-2019 Audit:

Caleb has received a draft report of the audit. Brown Edwards will be presenting at the November meeting.

iv. FY 2021-2025 Wholesale Water Rates:

Caleb provided the previous memo from Sheryl Stephens about the wholesale water rates. This item was tabled at the September meeting. Sherwood asked Caleb what his recommendation was to the Board for consideration. Caleb recommended Sheryl's Table 3 scenario presented in her memo. Craig made a motion that this should be tabled until all Board members are present. Marc seconded the motion. Craig mentioned that the financing options along with the rates would be reassessed once the GMP is complete for the plant modernization project. Caleb went over the proposed changes according to the memo from Sheryl Stephens of Draper Aden. A copy of the memo is attached to these minutes. Marc wasn't at the July board meeting and asked for an update of the discussion that was held at that meeting. Caleb went over the discussion from the July meeting. Marc asked when the deadline is for these rates to be passed due to the impacts to the Authority member's annual budgets. Craig recommended that it should not go past January 2020. If this recommendation doesn't achieve voting status by January 2020, this will be tabled until next fiscal year. All were in favor.

d. New Business

There was some discussion about combining the November and December meetings. Sherwood indicated that in order to continue to discuss the potential rate increases it would be better to meet in November and December. Everyone indicated that the regular dates will work with their schedule. Marc indicated that he will not be at the November meeting. However, he is fine with the rate increase being discussed with him not at the meeting. Marc intends to discuss his opinion with Sherwood and Caleb prior to the November meeting.

6. Public Comments: None

7. Comments from the Board: Craig mentioned what was going on with the MCPSA. Craig indicated that he would like for Caleb to attend the November 4th MCPSA Board meeting. Sherwood indicated that he believes it would be a good idea for Caleb to attend all MCPSA Board meetings. Craig discussed how well Chuck Campbell is working with Craig on the future of the MCPSA. Craig indicated that he is very excited about the path going forward with the MCPSA.

Sherwood mentioned how there might be a different Virginia Tech representative on the governing Authority Boards soon. There was some discussion on when Sherwood's term with the Water Authority expires.

8. Other Business: None

9. The meeting adjourned at 4:39.

M. V. Uel
~~Chairman~~ Vice Chairman

Wayne O. Nelson
Secretary