

**Attachment 1A
MEETING SUMMARY
DIRECTORS OF UTILITIES COMMITTEE MEETING
October 5, 2016
Newport News**

The agenda was amended to allow discussion of items in the order listed below.

1. Summary of the September 7, 2016 Meeting of the Directors of Utilities Committee

There were no comments on, or revisions to the summary of the September 7, 2016 Committee meeting.

ACTION: The summary of the September 7, 2016 Directors of Utilities Committee meeting was approved.

2. Public Comment

There were no public comments.

3. Support for the Roanoke River Basin Association

Mr. Tom Leahy, Virginia Beach Deputy City Manager, briefed the Committee on his September 15, 2016 presentation to the HRPDC on proposed funding for the Roanoke River Basin Association (RRBA) and the subsequent action to refer the proposal to the HRPDC Personnel and Budget Committee.

The Committee discussed potential funding proposals, including a special assessment to Virginia Beach, Norfolk, Chesapeake, Suffolk, and Isle of Wight collected through the Regional Water Program; locality shares could be based on population or customer accounts, and the HRPDC would then provide the funds to the RRBA. Staff will report back to the Committee following the October 20, 2016 HRPDC Personnel and Budget Committee discussion and the HRPDC Annual Meeting.

ACTION: No action.

4. Regional Construction Standards

The 6th Edition of the HRPDC Regional Construction Standards (RCS) was adopted on June 30, 2016. Ms. Whitney Katchmark, HRPDC Principal Water Resources Engineer, led a discussion on the use and awareness of the RCS.

Committee members provided feedback based on RCS use by their utility or department; the group was unable to comment on RCS use by other departments. Of the

ten utilities and departments represented at the meeting, six use the RCS to varying extents or have construction standards that reference the RCS: Chesapeake, HRSD, James City Service Authority, Newport News Public Works, Norfolk, and Virginia Beach. Isle of Wight Public Utilities is moving toward using the RCS. Newport News Waterworks, Suffolk, and Smithfield utilize their own locality standards, which may incorporate portions of the RCS as appropriate. The Committee expressed support of pursuing RCS acceptance with VDOT.

ACTION: No action.

5. Five-Year Budget Projections

The Committee held a follow-up discussion to the August 3, 2016 meeting, where staff was directed to prepare five-year budget projections for the Regional Water and Wastewater Programs to assist the Committee in future budget planning. Ms. Whitney Katchmark reviewed the draft five-year projections, assumptions, and planned reserve fund expenditures, and suggested that the Committee consider programming funds beginning in FY19 for priority studies and monitoring work. The Committee agreed to table the suggestion, pending the forthcoming recommendations of the October 2016 JLARC study, "[Effectiveness of Virginia's Water Resource Planning and Management](#)," and the August 2017 recommendations of the [Eastern Virginia Groundwater Management Advisory Committee](#).

The Committee discussed the H2O – Help to Others – Program fundraising with pre-printed envelopes. The Committee suggested that staff evaluate alternatives that are less expensive, effective, and have more frequent customer messaging. Staff noted that developing a more effective fundraising campaign may require upfront resources, but could be less expensive than pre-printed envelopes over the long term. The Committee also noted the growing need for customer assistance and that utilities should consider how to develop and sustain customer assistance programs over the long-term; potential options include building upon a regional program like H2O and direct assistance from utilities to customers.

Regarding the HR WET program, it was suggested that, with steadily decreasing water demands, the campaign advertising budget could be decreased. Staff noted that funds allocated for media buys may be one area where adjustments could be made without compromising the quality of the public education program. The HR WET education subcommittee provides primary input to the development of the advertising budget. Committee members should check with their HR WET representatives to assure that the utility's input is being communicated.

ACTION: No action.

6. Groundwater Update

The Committee discussed Mission H2O's request for feedback on the Eastern Virginia Groundwater Management Advisory Committee (EVGMAC) activities: Do you see the permitting process improving, do you want the Advisory Committee process to continue, and has it been worthwhile?

Staff commented that the EVGMAC has provided the opportunity to improve water supply planning, not just the permitting process. State involvement in monitoring and communicating the status of the resource, in addition to water supply planning, would facilitate the identification of best alternatives well in advance of the permitting process. Committee member comments on the EVGMAC varied. Some felt that, although the process was difficult, the effort was worthwhile and that communication with DEQ has improved. Others felt that while the EVGMAC allowed for significant discussion, the group has not been able to come to any real consensus. The Committee considered the question of how to assist the EVGMAC in evaluating source alternatives suggested by Work Group 1. It was generally agreed that the recommendations of the forthcoming JLARC study, "Effectiveness of Virginia's Water Resource Planning and Management," will impact the direction of EVGMAC activities.

ACTION: No action.

7. HRSD Update

HRSD General Manager Ted Henifin updated the Committee on the status of the Sustainable Water Initiative for Tomorrow and the Regional Wet Weather Management Plan. At a September 20, 2016 meeting with the EPA, HRSD provided a briefing on the Alternatives Analysis Report (AAR) and integrated plan proposal. Per EPA's request, HRSD will be providing additional information to support the AAR's affordability analysis. Follow-up HRSD briefings to the Committee and the Capacity Team on the affordability analysis were requested. HRSD continues to seek funding opportunities to reduce the cost burden on rate payers. On the legislative agenda, HRSD is seeking state reimbursement for the cost of installing the extensometer at the Nansemond plant.

HRSD has briefed the stormwater managers on the integrated plan proposal. The trading concept, timeframe, and draft agreements have been discussed. Legislative action to allow trading with the Lynnhaven and Little Creek watersheds is being pursued by localities.

HRSD is currently optimizing the solution set for the Regional Wet Weather Management Plan (RWWMP). The Committee acknowledged that near-term (10 year) locality MOM costs may increase compared to previous cost estimates as needs arise prior to implementation of the RWWMP.

ACTION: No action.

8. Staff Reports

- **FY17 Water and Sewer Rates:** The results of the FY2017 data call were distributed to the Committee on September 27, 2016.
- **Regional Source Water Protection Plan:** Staff briefed the Committee on the review draft of the plan distributed on October 5, 2016. The presentation slides are included as Attachment 1C. Comments on the review draft are requested by October 28, 2016. A follow-up discussion is scheduled for the November 2, 2016 Committee meeting.

ACTION: Per discussion.

9. Other Business

There was no discussion of other business.