

**ROCKY MOUNT TOWN COUNCIL
SPECIAL MEETING
WORK SESSION
AUGUST 25, 2014**

The Rocky Mount Town Council held a special meeting work session at the Rocky Mount Municipal Building located at 345 Donald Avenue, Rocky Mount, Virginia on August 25, 2014 at 5:00 p.m. with Mayor Steven C. Angle presiding.

On behalf of the Rocky Mount Town Council, the meeting was called to order by Mayor Angle, with the following members of Council being present:

Vice Mayor Gregory B. Walker and Council Members Bobby M. Cundiff, P. Ann Love, Robert L. Moyer, Jon W. Snead and Billie W. Stockton

For the record, the following were present: All members of Town Council as noted, Town Manager C. James Ervin, Assistant Town Manager/Community Development Director Matthew C. Hankins, Superintendent of the Water Department Robert Deitrich, Superintendent of the Wastewater Department Timothy Burton, Town Attorney John T. Boitnott, and Town Clerk Patricia H. Keatts.

APPROVAL OF AGENDA

Prior to the meeting, Council had received the agenda for review and consideration of approval.

Let the record show there was no approval of the agenda.

PRESENTATION OF PROPOSED AGREEMENT WITH WESTERN VIRGINIA WATER AUTHORITY

Present representing Western Virginia Water Authority (WVWA) were Executive Director of Wastewater Services Mr. Michael McEvoy, and Executive Director of Water Services Mr. Gary Robertson. Present representing County of Franklin was Public Works Director Mr. Don Smith.

Mr. McEvoy and Mr. Robertson both presented a brief history of the WVWA and their familiarity with water and wastewater systems. They pointed out that the WVWA has a seven-member governing board, which consists of business people and not elected officials; and WVWA now includes six localities: City of Roanoke, County of Roanoke, County of Franklin, Town of Vinton (bulk user), Town of Salem (bulk user) and southern part of County of Botetourt (bulk user).

The Town Manager gave a brief synopsis of how the proposed agreement had come into place, which had included Council directing staff to negotiate for an interconnection to the WVWA in 2009 (partly due to the drought conditions that had existed). This request was ostensibly for an alternative water source for the Town.

- In the ensuing five years, two draft agreements have been prepared and presented to the Rocky Mount Town Council, the governing board of WVWA, and the Franklin County Board of Supervisors.
- Over the years, as these governing bodies considered the concept, a broader goal emerged beyond simply securing an alternate water source.
- This broader concept was to work regionally to address the joint needs of the citizens for low cost reliable utilities and to promote regional economic development.
- A final round of negotiations has taken place over the last six months in order to craft a final agreement that addresses all issues raised by the two governing bodies and the WVWA board. That document is being submitted at this time for Council's review.
- The guiding principal of the agreement is to share taxpayer owned assets for the betterment of all citizens in the Town's region; to secure water and sewer services to the largest number of citizens while leveraging water and sewage treatment facilities regionally; and to grow and prosper as a region.
- Pointed out the summary of the agreement regarding water, sewer, capital, economic development, and benefits to the Town, which includes: the Town getting access to two additional sources of water connected to the WVWA's system; the Town selling surplus sewage treatment plant capacity that is currently idle; the Town retaining the right to consider annexation in the future, which would not be an option if the utility infrastructure outside of the Town was not connected to the Town's system, or if the Town declines to work regionally); the Town remaining a relevant player in the regional utility system versus a utility infrastructure built around it; the Town having the ability to attract high water demand industrial tenants; and the Town's businesses providing more services to support industrial growth in the WVWA's service footprint.
- Staff of the three entities involved believe this is a landmark agreement to share resources and promote an efficient regional approach to leveraging assets so that each jurisdiction is not forced to build stand-alone plants and infrastructures. After five years of input and guidance from the governing bodies, staff believes this document is as close as can be obtained to one that reflects the wishes and desired outcomes of each and ask that it be put on Council's September 8th agenda as a final proposal for consideration.
- The proposed schedule of consideration/adoption is: Town of Rocky Mount at their September 8, 2014 regular Council meeting; Franklin County Board of Supervisors at their September 16, 2014 regular Board meeting; and the Western Virginia Water Authority at their September 18, 2014 regular Board meeting. If these adoptions occur as proposed, a press event will be held on September 19, 2014 to unveil what is a precedent setting example of regional cooperation.

There was discussion surrounding:

- Logistics of how WVWA would connect to the Town of Rocky Mount's water and wastewater systems.

- Cost of the connection being split 75/25 between the Town and WVWA.
- WVWA having the authority to extend the Town's water system and to pass water through the Town's system to reach additional areas of their service territory, with them selling water to the Town at a wholesale rate.
- WVWA being able to connect to the Town's sewage treatment infrastructure at their cost, and the Town treating the sewage and billing WVWA at a wholesale rate. WVWA agreeing to make a minimum of 500,000 gallons per day available to the Town, providing they have sufficient sources of raw water, but the Town does not have to use the water unless the Town so desires. The Town agrees to make 400,000 gallons a day available to WVWA providing the Town has sufficient wastewater plant permit capacity or pump station capacity available.
- WVWA will come up with a way to see if they can add to their Board someone from the Town.
- Where lines will be placed in the future if the agreement is approved by Rocky Mount Town Council.
- Regarding pass through water extension, the Town would own the portion of lines within the Town corporate limits, and County of Franklin would own the portion of lines in Franklin County.
- Current and future capacity of the Town's water and wastewater plants.
- If County of Franklin should decide at some point and time to drop out of the agreement, the Town still has the right to buy bulk water.
- Explained County of Franklin's short-term plan with WVWA, with the County helping WVWA foot the bill and it helps their citizens, looking at next the loop to try to tie-in lines coming from Roanoke, Virginia to Wirtz Road, seeing if cost effective to justify running it, then looking at coming down State Route 220 South and to Route 40.

Vice Mayor Walker stated that he has heard a lot of positives with the agreement, but not a lot of cons. The Town Manager explained that the cons are: interconnecting with people that are different than the Town, putting a lot of trust in them and different governments as sometimes it is hard to pull in the same direction; process will become a little bit more complicated regarding future costs; having to think a little harder about regional commitments; and placing a lot of the wastewater water treatment plan on hold in that it would provide a capital basis for upgrade. Regarding the pros, the interconnection would help the County of Franklin to grow, and as a region, the Town will grow, with all prospering, with the Town being able to be their own economic driver.

The Town Manager confirmed to Council Member Cundiff that if WVWA issues bonds, the Town will only be responsible for what the Town is impacted for, and that the agreement itself cannot indebt the Town.

Council Member Moyer stated he did not see where this agreement could help the citizens of the Town period since the Town is sitting on water; if the Town stays independently, the Town controls the prices; and if the Town goes with WVWA, the cost will have to be passed onto the citizens.

It was explained to Council Member Moyer that the Town is not under any obligation to buy water from WVWA if the Town decides to connect, and that the water is available if the Town chooses to use it or need it.

The Assistant Town Manager explained to Council that another pro is that if someone comes to the Town of Rocky Mount/Franklin County Industrial Park needing 800,000 gallons of water, at this present the time, the Town cannot provide it, but if the Town goes with the agreement, the Town will have the extra capacity to provide the needed water.

The Mayor thanked WVWA and County of Franklin representatives for coming.

The Town Manager confirmed to Council that the proposed agreement will be on their agenda for September 8, 2014.

The Town Attorney requested that before it is put on Council's agenda, that it be sent to special outside counsel for final review.

ADJOURNMENT

At 6:15 p.m., motion was made by Council Member Stockton to adjourn, seconded by Vice Mayor Walker and carried unanimously.

Steven C. Angle, Mayor

ATTEST:

Patricia H. Keatts, Town Clerk