

VML/VACO Steering Committee Draft Minutes
Zoom Electronic meeting
October 14, 2020

DRAFT MINUTES

I. Call to order

James Ervin called the meeting to order at 9:33 a.m. James Ervin provided a brief overview of the history of the steering committee.

II. Identification of members participating in the meeting

The following members were in attendance for the meeting: C. James Ervin (Chair), Town of Rocky Mounty; Stephen Bear, Wythe County; Nell Boyle, City of Roanoke; Laura Carini, City of Roanoke; Teresa Couch, Amherst Public Schools; Carol Davis, Town of Blacksburg; Michael Hatfield, Wise County; Geri Hazelwood, Patrick County; Robert Hopkins, Amherst County Service Authority; Mark Jamison, City of Roanoke; David Jeavons, Roanoke Regional Airport Commission; David Moorman, Botetourt County; James Morani, Town of Abingdon; Chris Perkins, Roanoke City Public Schools; Lucy Phillips, Washington County; Dean Rodgers, Amherst County; Bobby Russell, Western Virginia Regional Jail; Jeff Shawyer, Roanoke City Public Schools; Christopher Stacy, Tazewell County Public Schools; Freda Starnes, Scott County; Sandy Stiltner, Buchanan County; Timothy Wagner, Campbell County Utilities and Service Authority; Randy Wingfield, Town of Christiansburg; Gregory Winston, Valley Regional Jail; Scott Woodrum, Montgomery County; Eric Workman, Bland County;

In addition, the following were present: Legal Counsel Robert Perrow and John Walker, Williams Mullens; Michelle Gowdy, Executive Director Virginia Municipal League (VML); Dean Lynch, Executive Director, Virginia Association of Counties (VACO); and Sandra Harrington, VML Government Relations/Steering Committee Secretary/Treasurer.

III. Approval of Minutes

James Ervin stated the December 9, 2019 minutes were sent out as part of the meeting packet on October 9, 2020. There was a motion to approve the December 9, 2019 meeting minutes by Sara Carter, seconded by Randy Wingfield and unanimously approved.

IV. Financial Report

Sandra Harrington provided the following updated financial report. Assessments of \$250,000 were sent in May. So far \$179,507 has been collected and about \$70,000 still outstanding. As of September 30, 2020, the cash \$59,700, LGIP \$71,000 for a total of \$130,700. FY21 year to date presented expenses for administrative, consulting, and legal services are \$150,845.

James Ervin referenced the October 6, 2020 letter sent to Steering Committee members by the VML and VACO Executive Directors expressing the importance of the work of the Steering Committee and paying the assessments.

V. Legal Update

James Ervin indicated that the negotiating team has sent an initial proposal to APCo as a starting point, such as incorporating the actions of the General Assembly, specifically the Virginia Clean Economy Act (VCEA); determining if APCo owes customers anything for the last few years based on the triennial review, how would that credit be applied; and what will be the new rate.

Robert Perrow reported at the last Steering Committee meeting (December 2019) there were 5 cases before the SCC, since that time, APCo had filed 4 more cases, and still have to file 2 additional by November (*meaning that APCo has filed 11 cases affecting rates since December 2019*). One of those filings was the triennial review. This is the first time in 6 years the base rates have been reviewed by the SCC, a hearing has been held, post hearing briefs are due by Friday, October 16 and the SCC must make a ruling by the end of November.

APCo is seeking an increase in 65 million dollars in revenue should they be allowed to recover and what is the Return on equity they are allowed to have. If APCo has over-earnings, customers may be entitled to a refund; if not, APCo could request a rate increase. Mr. Perrow stated he expects APCo will not get a rate increase. John Walker explained the importance of the Steering Committee's involvement in SCC cases (participation and/or monitoring), because APCo is seeking adjustment to rates in those proceedings which would adversely affect the localities rates.

Walker provided an update on the contract negotiations. He reported at the end of April, the Steering Committee received the cost of service (COS) study from APCo, this has historically been the springboard to negotiations with APCo regarding rates and the determination of any sur-credit. The current negotiation has involved numerous meetings with the legal counsel and the consultants, the exchange of numerous letters involving contractual terms, and APCo's production of voluminous accounting data the COS is based on. Walker indicated some issues such as the cost-of-service analysis and net metering still are in progress. APCo submitted a new proposal and the Steering Committee consultants determined that it was unreasonable, prompting a response to APCo.

VI. **Proposed Steering Committee By-Laws**

James Ervin led a discussion of the need for the Steering Committee to have a set of by-laws, a draft of which were provided to members as part of the meeting packet on October 9, 2020 via email.

Carol Davis proposed the following amended language to Section 12- Amendments:

These Bylaws may be amended at any time by the concurrence of two-thirds of the Committee *present at a called meeting* or two-thirds of the Members *by direct mail ballot* as long as (a) such amended Bylaws are consistent with the Members' Resolutions and (b) Members shall have the right to withdraw prior to the effective date of such amendment. The Committee, at least 30 days prior to the adoption of amended Bylaws, shall make a copy of such proposed amended Bylaws available to Members.

Dean Lynch made a motion to accept the presented by-laws, with the suggested amended language, seconded by Randy Wingfield. The motion was unanimously approved.

VII. Election of Vice-Chair and Executive Committee

James Ervin indicated in accordance with the adopted by-laws Section 7 (b), a Vice Chair and Executive Committee of (3) members in good standing needed to be appointed. Carol Davis was nominated as Vice-Chair. Laura Carini, Mike Hatfield, and Chris Perkins were nominated as Executive Committee members. Dean Lynch made a motion, seconded by Freda Starnes to accept those nominated. The motion was unanimously approved.

VIII. Assessment Projection and Other Business

James Ervin stated the assessment for FY22 will be presented by the Executive Committee at the next meeting of the Steering Committee.

James Ervin adjourned the meeting at 11:50 a.m.

DRAFT