

**MINUTES OF WORK SESSION
OF THE NEWPORT NEWS CITY COUNCIL
HELD IN THE 10TH FLOOR CONFERENCE ROOM
2400 WASHINGTON AVENUE**

September 27, 2016

2:00 p.m.

PRESENT: McKinley L. Price, DDS; Sharon P. Scott (arrived at 4:00 p.m.); Tina L. Vick; Dr. Patricia P. Woodbury; Sandra N. Cherry, D. Min.; and Marcellus L. Harris III -----6

ABSENT: Herbert H. Bateman, Jr. -----1

OTHERS PRESENT: Cynthia Rohlf; Collins L. Owens; Mabel Washington Jenkins; Wanda Pierre; Lisa Cipriano; Florence Kingston; Sheila McAllister; Claudia Cotton; Reed Fowler; Cleder Jones; Karen Wilds; Harold Roach; Michael Nall; Alonzo Bell; Page Hayhurst; Rebecca Kleinhample; Scott Dewhurst; Stephanie Harrington; Steven A. Chafin; Melanie Rapp Beale; Jerri Wilson; Kim Lee; Jennifer Walker; RoShaundra Ellington; and Dave Ress

I. Virginia Port Authority Tour (City Councilmembers)

(2:00 p.m. – 3:38 p.m.)

Members of the Newport News City Council took a brief van tour of the Newport News Marine Terminal (NNMT) of the Virginia Port Authority's main break-bulk and roll-on/roll-off facility, offering approximately 60 acres of outside storage and 968,000 square feet of covered storage space. Vessels had access to two piers with four vessel berths, containing 3,480 feet of berth space, with a draft depth as deep as 40 feet, accommodating vessels 850 feet in length. The facility contained 33,900 feet of rail provided by CSX Railroad. The NNMT provided direct on-dock rail service with CSX, with the ability to transfer with Norfolk Southern in Richmond. The NNMT had a permanent roll-on ramp for loading/unloading rail cars with construction and agricultural equipment benefits for NNMT customers. NNMT has a roll-on/roll-off ramp on Pier C South to deliver heavy-lifts such as power plant equipment for delivery via water. Those present for the tour included: Mayor McKinley Price; Vice Mayor Tina Vick; Councilwoman Sandra Cherry; Councilwoman Patricia Woodbury; Councilman Marcellus Harris III, Delegate David Yancey, Virginia House of Delegates; Delegate Marcia Price, Virginia House of Delegates; Cynthia Rohlf, Assistant City Manager; Florence Kingston, Director, Department of Development; Collins Owens, City Attorney; Mabel Washington Jenkins, City Clerk; Alan A. Diamonstein, Commissioner, Virginia Port Authority; Tom Capozzi, Chief Sales Officer; Brian McDonald, NNMT Manager; Patrick Jefferson, Multi-Use Terminal Manager; Peter Trocchiano, Vice President, Multi-Use Terminal Operations; Vance Griffin, Vice President, Terminal Services; Sarah McCoy, Director of State and Local Government Affairs; Rick Morris, Canon VIRGINIA; Gary Dushantinski, CP&O; Art Moye, Executive Director, Virginia Marine Association; and David White, Vice President, Virginia Maritime Association.

II. Virginia Living Museum Presentation

Ms. Cynthia Rohlf, Assistant City Manager, introduced Mr. Alonzo Bell, President, Virginia Living Museum Board of Trustees, Ms. Page Hayhurst, Executive Director, and Ms. Rebecca Kleinhample, Development Director, Virginia Living Museum.

Mr. Bell thanked the members of City Council for the opportunity to provide the presentation, and indicated it was a unique pleasure, especially during the Virginia Living Museum's 50th Year Anniversary Celebration. He recognized Ms. Hayhurst, the outgoing Executive Director, and Ms. Kleinhample as the Interim Director (as of December 1, 2016) of the Virginia Living Museum (VLM). He announced that Ms. Hayhurst would be moving on to a new position, after 11 years of service with the VLM. Ms. Kleinhample was unanimously appointed by the Board of Trustees to serve as the Interim Director until the hiring of a new Executive Director.

Mr. Bell advised that the 27 member VLM Board of Trustees (the Board) was actively engaged in the financial oversight of the VLM and oversaw and evaluated the performance of the Executive Director. He stated the Board was 100% committed to financially supporting the VLM.

Mr. Bell noted the committees that the Board oversaw: 1) Administration Committee (reviewed the monthly income and expense statements, and assessed the VLM's needs and staff compensation needs); 2) Strategic Planning Committee (worked to implement the existing and new FY 2018 – 2023 Strategic Plan of the VLM); 3) External Relations Committee (assisted with program marketing and developing public relations support for the Museum's communication); 4) Resources Committee (assisted with bringing new people on to the Board); 5) Fundraising Committee (raised funds to assist with the VLM's operation); 6) Ad-Hoc Committee (Campaign Committee that was assisting with the Future Ready Campaign). He asked Ms. Kleinhample to provide information about VLM's Future Ready Campaign.

Ms. Kleinhample advised that an opportunity to celebrate and educate the community arose as part of VLM's 50th Year Anniversary. She stated the Future Ready Campaign was a \$5 million project, and the VLM had raised \$4.4 million. The Campaign was comprehensive, which allowed the VLM to raise capital for projects, operational needs, and Science programming. The Endowment portion of the Future Ready Campaign totaled \$1.9 million, operating funds totaled \$1.8 million, and VLM's Capital projects totaled \$700,000, which amounted to \$4.4 million in committed pledges, gifts, and bequests. The capital would include the opening of the Dinosaur Discovery Trail in the back-end of boardwalk into a natural park surrounded by near life-sized Dinosaurs. Additional Capital projects included an Association of Zoos and Aquariums (AZA) Required Building that would be built on the VLM property. The City supported the HVAC system capital project with a matching grant, which had been completed.

Mr. Bell stated that the VLM was a gem in the community and was critical for tourism, economic development, education, and quality of life issues for the citizens of the community. The VLM was fully endorsed by the Newport News School Board and Superintendent Dr. Ashby Kilgore.

Mr. Bell reported that the City had been in partnership with the VLM since its inception, approximately 50 years ago, and its expansion in 2004. The VLM continued to be dependent on operational support from the City, especially since there was very little federal and state support. The VLM was working on plans to become self-sufficient, while continuing to serve the community with quality programs. He introduced Ms. Hayhurst to continue with the presentation (a copy of the presentation, "Virginia Living Museum – Protecting What's Precious Since 1966," is attached and made a part of these minutes).

Ms. Hayhurst stated that the admission and membership of the VLM totaled \$1.73 million, which was 40% of its operational income. She noted the VLM's strategy included:

- Maintain exhibits and facilities to the highest standards
- Multi-faceted Marketing: Paid advertising in all media e-news, blogs, etc.
- Member Services
- Dynamic changing exhibits
 - Wolf to Woof – June 14 2016 – May 14, 2017
 - Nature Connects – July 22 – November 26, 2017
 - Dinosaur Discovery Trail – October 15, 2016 (The VLM had high expectations to maintain its 7,000 member households with this exhibit that were located throughout the region and City.)

Ms. Hayhurst advised that 16% of the VLM's operating income (\$711,000) came through Development income (Contributory Income). She introduced Ms. Kleinhample, who noted the VLM's strategy to increase Contributory Income:

- Government and foundation grants
- Sponsorships
- Multi-year Individuals and Corporate Giving
- Four Annual Events
- Naming opportunities and special programs

Vice Mayor Vick stated it seemed that the VLM had been successful in renting its facility. Ms. Kleinhample replied, yes; but indicated that rental income was not part of Contributory Income, as it was not a gift to the museum.

Ms. Hayhurst noted that 15% of the VLM's operating income (\$631,000) was realized from its gift shop, facility rental, and events:

- Gift Shop Profit - 52%
- Event Rentals: Weddings, Proms, Associations, Outside Charity, and Corporate Events
- Special Tours, Traveling Exhibits, Café, Plant Sales, and Amenities

Ms. Hayhurst stated the VLM received 12% of its operating income (\$528,007) from the City, which was critical.

Ms. Hayhurst noted 11% of the VLM's operating income (\$485,000) was garnered through educational programs, such as:

- Education Council Input
- Outreach – Schools and Centers
- Adult Programs and Lectures
- Homeschool
- Teaching Training
- Camps and After School Programs

Ms. Kleinhample advised that the VLM also operated a Community Education Program, whereby underserved youth and those with disabilities were invited to the VLM for free. She stated the program was funded by individual donors.

Ms. Hayhurst noted that 4% of the VLM's operating income (\$190,000) was realized from Reserve funding, which had been dwindling since the State stopped providing the VLM with funding.

Ms. Hayhurst offered a Revenue Comparison noting income in 1999 vs. 2016:

- FY 1999 Budget Totaled \$2.26 million
 - Earned Income 62%
 - Local support 13%
 - State Support 18%
 - Gifts 7%
 - Reserves
- FY 2016 Budget Total was \$4.35 million
 - Earned Income 66%
 - Local Support 12%
 - State Support 2%
 - Gifts 16%
 - Reserves 4%

Mr. Bell stated that the above-noted percentages looked similar. He advised that when looked at the real dollars, the earned income in 1999 was \$1.4 million as opposed to approximately \$2.9 million in 2016. He stated in 1999, gift income was approximately \$160,000 and increased to \$700,000 in 2016. That demonstrated that the VLM was working to become self-sufficient, but still needed a value partnership with the City of Newport News. Mr. Bell stated the VLM appreciated the assistance received from the City, and thanked the City Council for their support of a continued partnership.

Councilwoman Scott inquired whether the VLM had a relationship with a neighbor for overflow parking when rental events were held. She stated that she attended a recent event and witnessed that the parking was insufficient. Ms. Hayhurst replied that the VLM was working on a better parking plan. Overflow parking was provided for events sponsored by the VLM; however, overflow parking was not provided for those that rented the facility, but the VLM tried to work with renters of the facility.

Councilwoman Scott questioned what the VLM would do to work out a parking solution for those renting the facility. Ms. Hayhurst replied that the VLM had buses, which shuttled VLM staff members to adjacent parking lots (Riverside or Deer Park School) so that event guests could have the choice parking at the VLM.

Councilwoman Scott indicated that she did not know what to expect at the event, but noted that it was a perfect example of what could be done with the facility. She hoped that the VLM would work out the parking issue for the renters. Ms. Hayhurst replied it was easily solvable.

Councilwoman Cherry questioned what percentage of the \$1.73 million was from admissions and annual memberships. Ms. Hayhurst replied that approximately 60% of the \$1.73 million was from annual memberships, but it varied. The VLM staff did their best to convert admission ticket holders to annual membership pass holders.

Councilwoman Scott inquired about the cost of an annual pass. Ms. Hayhurst replied that the cost for an annual pass for a family was \$125.00 and \$60 for an individual.

Councilman Harris inquired whether the membership would increase. Ms. Hayhurst replied yes, especially during the 50th Anniversary year.

Councilwoman Cherry asked for an itemized percentage breakdown of the amount of the \$1.73 million that was received in admissions and annual memberships. Ms. Hayhurst replied that she would acquire the accurate figures and provide the information to Councilwoman Cherry.

Councilwoman Woodbury inquired about the funding in 1999 versus 2016, and the fact that it had increased by approximately \$2 million. She inquired about the reason that the VLM continued to be dependent on funding from the City if they were taking in more. Ms. Hayhurst replied that the increased size of the museum in 2004, required additional expense to operate the building. At that time, the VLM did not anticipate that the 18% of funding from the State would be discontinued, after

receiving it for 20+ years. The State funding had been part of the budget planning for the operation for the new facility. The biggest challenge was trying to recover the 18% that was lost from State funding. The above-noted 2% State Support (\$75 million), received in FY 2016, was by way of a grant from the Science Museum of Virginia, and could not be counted on in future years. The prior State funding was what helped to build the VLM's Reserve funding, which they were not able to continue.

Councilwoman Woodbury inquired whether the VLM's expenses had increased. Ms. Hayhurst replied yes. The VLM transformed from a 30,000 square foot facility to a 100,000 square foot facility in 1999. The operation of the facility required additional funding.

Mr. Bell pointed out that 31% of the VLM's budget from the City and State in 1999 represented approximately \$800,000; 14% of the VLM's budget received from the City and State in 2016 represented approximately \$600,000. The VLM made significant process. In real dollars, the VLM was receiving less funding from the City and State in FY 2016 than what it received in 1999.

Councilwoman Woodbury inquired whether the VLM saw itself as becoming totally sustainable. Mr. Bell replied that the VLM was working to become independent and sustainable. The VLM received twice as much in earned income and four times more in gift funding. Everything the VLM did was focused on becoming sustainable. He, the board and staff spent much time at the museum trying to become fully sustainable. The VLM was a jewel for the City of Newport News, and he felt a partnership should be made between the two at some level in the future. The VLM provided a significant benefit to the students of CNU, to tourism, and to the quality of life for citizens. He asked City Council to continue to support the VLM.

Ms. Hayhurst pointed out that other Science centers in the United States were dependent on public funding. The average amount of funding they received was approximately 45%, which had been reduced from 70% that the museum received in 1999. Museums that were self-sufficient received huge endowments, such as the Mariners' Museum. Endowment funding made up the gap of funding that was difficult to acquire through earned revenue and giving. One of the VLM's capital campaign goals was to focus on increasing endowment funding, which would be critical to the museum's future.

Councilwoman Cherry inquired about the funding goal of the VLM. Ms. Hayhurst replied that the total goal was \$2 million and they had raised \$1.9 million (50% from cash and pledges and 50% from provisional funding).

Councilwoman Scott inquired whether the VLM incurred an additional cost to relocate outside animals indoors during the winter months or whether they remained outside permanently. Ms. Hayhurst replied that the animals had adapted to the Hampton Roads climate and remained outside year round; however, they had dens which they reverted to during the evening and overnight hours in the winter.

III. Community Maintenance: Rental Inspection Program

Assistant City Manager Rohlf reminded about prior discussion concerning the implementation of a Rental Inspection Program. She stated funding was allocated in the FY 2016 – 2017 Operating Budget to implement the program. She introduced Mr. Harold Roach, Director, Department of Codes Compliance, to note the specifics of the program. She advised that a Resolution would be on the Regular Meeting agenda of October 11, 2016 for action by City Council.

Mr. Roach stated the Residential Dwelling Rental Inspection Program was an initiative that was proposed to improve housing conditions in the Southern part of the City. He reminded that prior discussion had been held about the matter. He stated that Virginia localities were permitted under State Code Section 36-105.1:1, to establish rental inspection districts when it had been determined that:

- An action was necessary to promote public health and safety
- The targeted rental housing was blighted or deteriorating
- An inspection was necessary to maintain safe, decent, and sanitary living conditions

Mr. Roach advised that the Residential Dwelling Rental Inspection site included three Neighborhood Statistical Areas (a unit of measurement used by the U.S. Census Bureau). The area included Census Tract NSA Census Tract 1 – 3 and bordered:

1. To the North of 39th Street
2. To the South of Hampton Roads
3. To the East of City Line Avenue w/Hampton
4. To the West of the James River

Mr. Roach advised that there were approximately 4,500 rental units that could be subject to inspection in a worst case scenario. He reiterated that the State Code provided the City the authority to develop a Residential Dwelling Rental Inspection Program if a locality chose to do so. Over the past several years, City staff canvassed the area by walking weekly to identify general conditions in the area. It was determined that the City had a sizeable number of properties that were in need of attention that went beyond the normal property maintenance efforts. The essence of a Rental Inspection Program was to find violations that would otherwise not be noted.

Mr. Roach noted housing conditions that rendered the need for a Residential Dwelling Rental Inspection Program:

- Roughly 52% of the City's housing stock consisted of rental dwelling units
- Newport News had a larger percentage of rental property than adjacent localities
- Newport News possessed some of the oldest and deteriorated housing in the region
- It was extremely important to stabilize and improve the existing housing stock as the City continued to age

Mr. Roach noted the possible number of rental properties that needed to be inspected, based on a query of the property addresses that were different from the owner's mailing address. That was the first and best attempt to determine whether a property was being used for rental purposes (see information on page 8 of the presentation attached to these minutes). He noted the number of possible properties in each NSA Census Tract:

- 539 in NSA 1
- 892 in NSA 2
- 905 in NSA 3

Mr. Roach noted other Virginia localities that had implemented a Rental Inspection Program (see list of localities on page 9 in the presentation attached and made a part of these minutes).

Mr. Roach noted the justification for implementing a Rental Inspection Program was due to a long standing practice, particularly in the Southeast Community, of investors offering substandard housing to a captive population that did not have better options. Also, some landlords had negatively impacted neighborhoods by illegally converting single-family units into boarding houses which had a negative effect on the community.

Councilwoman Cherry inquired how inadequate homes were reported to the Department of Codes Compliance. Mr. Roach replied that such inadequacies were not reported very often, and were difficult to track. Neighbors would complain, but would not show up to court to testify against a property owner.

Assistant City Manager Rohlf noted a situation of an inadequate living condition was realized during a medic call, wherein the medics reported the matter to the Department of Codes Compliance (see e-mail message on page 11 of the attached presentation).

Mr. Roach noted steps to implement the adoption of the Residential Rental Inspection Program by City Council:

- Mass mailing to all rental property owners
- Inspection of rental properties
- Citing any problems
- Ensuring that properties were brought up to Code

Mr. Roach stated the most difficult situations would be realized if a property owner did not respond to the Department of Codes Compliance's attempt to contact them. Such properties would be put on a list for investigation. He hoped that would be the exception, rather than the rule.

Councilwoman Woodbury inquired whether the ordinance would affect Section-8 housing. Mr. Roach replied that any residential property that wasn't State or City owned would be subject to the Ordinance and inspection.

Councilman Harris inquired whether there would be a possibility to expand the area in the future. Mr. Roach replied that it was up to City Council to expand the area. Assistant City Manager Rohlf replied that staff would be willing to look at other areas of concern that were pointed out by members of City Council. City Attorney Owens indicated that, by State Code, the area had to include blighted or deteriorating rental housing.

Councilwoman Woodbury inquired whether the Ordinance could be applied to other areas within the City. City Attorney Owens replied that the Ordinance would be limited to the established rental inspection districts as noted previously, unless City Council made a finding that another part of the City needed to be added. Assistant City Manager Rohlf agreed.

Councilwoman Scott inquired whether this was similar to what the City did in relation to hotel inspections. Assistant City Manager Rohlf replied yes; it included the same kind of process.

Assistant City Manager Rohlf advised that the grass cutting program had been problematic with all the recent rain. City staff was handling all the complaints that had been received.

Assistant City Manager Rohlf reported that demolition numbers had been growing. She stated that staff from the Departments of Codes Compliance, Public Works, Police and Fire, walked the community each Thursday morning for two to three hours to identify problem areas. They searched for issues related to garbage collection and vacant and dilapidated properties.

Assistant City Manager Rohlf recalled a conversation at a past Work Session regarding vacant 25-foot property lots as a result of demolition work and what the City intended to do with the properties. She advised that City staff had looked into the matter and had been working closely with the Newport News Redevelopment & Housing Authority (NNRHA) to identify properties that could be transferred to the NNRHA for housing opportunities. Once the properties were transferred, a Request-For-Proposal would be submitted to builders and developers to submit building proposals. The properties that had been identified were on Oak Avenue, outside the Choice Neighborhood Implementation (CNI) area. Staff had targeted this area where housing had already been built and felt this would be a good fit. There were eight properties available along Oak Avenue. She stated Ms. Karen Wilds, Executive Director, NNRHA, would process the Request-for-Proposals.

Councilwoman Cherry inquired whether the lots were greater than 25-feet and available. Assistant City Manager Rohlf replied that the proposed lots were greater than 25-feet, available, and owned by the City. The City was also in conversations with Habitat for Humanity as well. They had discussed sponsoring a blitz program with the Fire and Police Departments.

Vice Mayor Vick commended Assistant City Manager Rohlf and staff on their community maintenance initiatives. She had seen tremendous improvement to the community.

Councilwoman Cherry inquired about the Neat Team schedule to tour the Southeast community. Assistant City Manager Rohlf replied that the Neat Team was separate from the Community Maintenance Team. The Neat Team generally focused on a particular problem property that had been identified by the Police, Fire, or Codes Compliance as having issues. The Neat Team members and Community Maintenance Team members walked the community each Thursdays; however, the Community Maintenance team had a separate approach.

Councilwoman Cherry inquired about the day and time that the Neat and Community Maintenance Teams scanned the Southeast Community. Mr. Roach replied that the Neat Team convened when there was a problem identified, and the Community/Maintenance Team scanned the area on Thursday morning of each week, usually at 9:00 a.m.

IV. Skiffes Creek Transmission Project Presentation

Assistant City Manager Rohlf introduced Ms. Stephenie Harrington, Manager, Electric Transmission Project Communication, Dominion Virginia Power, to provide the presentation. She recognized Mr. Steven A. Chafin, Director, Transmission Planning and Strategic Initiatives Electric Transmission, Dominion Virginia Power, and Ms. Melanie Rapp Beale, External Affairs Manager, Dominion Virginia Power, who were available to assist with the presentation.

Ms. Harrington advised that she and Mr. Chafin worked on the electric transmission (the grid) in the Hampton Roads region. She stated the high voltage electric grid connected the power generation, whether in Brunswick or Surry County, to the local community (the distribution grid). They represented the high voltage transmission lines and the sub-stations that connected where the power was generated to where it actually was used. That was important to recognize because it had to be perfectly balanced. Dominion had to deliver the power, where and when needed. Dominion lowered its emissions, not only because of the switch to cleaner coal to cleaner generation sources, but because Dominion was a part of one of the most highly regulated industries in the United States. Electric emissions were regulated at the state, federal and local level.

Ms. Harrington reported that the Yorktown Power Station was set to retire. She stated that the two Yorktown Power Station coal units had been in service for many years (one in service since the 1950s and the other in service since the 1990s). The retirement was required as part of meeting the Federal Mercury and Air Toxic Standards of Law that was announced in 2011. Dominion began working quickly, as part of their Integrated Resource Plan, to balance the load to be able to deliver power to their customers once the Yorktown Power Station retired. In some parts of the state, Dominion was able to retrofit or refuel generation sources, but in this particular case, it was announced that the two coal units would be retired. Originally, to meet the Federal and Air Toxic standards, the coal polls were scheduled

to retire by April of 2015. In doing so, Dominion considered several alternatives that were included with their annual Integrated Resource Plan, which noted the different ways that Dominion would generate power and how the power would be transmitted. Dominion looked at a wide variety of alternatives. Dominion decided to build a high voltage transmission line, which had to be regulated by the Virginia State Corporation Commission. The Virginia State Corporation Commission looked at all the alternatives from an electrical standpoint and how they would affect the environment and surroundings. They reviewed the installation of transmission lines throughout the area. Ms. Harrington noted the alternatives considered by Dominion:

- **Generation Alternatives**
 - Retrofitting Yorktown Power Station
 - Repowering Yorktown Power Station
 - New General Demand-side Management
- **Transmission & Hybrid**
 - Chickahominy – Lanexa 500 kV
 - Save the James Alliance Alternative
 - Line Rebuild (James River Bridge Crossing)
 - Chuckatuck – Newport News 230 kV (Whittier Hybrid)
 - Surry – Whealton 500 kV Line
 - Surry – Skiffes Creek 500 kV Underground (Alternating Current)
 - Surry – Skiffes Creek 500 kV Underground (High Voltage Direct Current)
 - Surry – Skiffes Creek 230 kV Underground (With and Without Yorktown Generation)
 - Chickahominy – Skiffes Creek 500 KV (Resolves NERC Criteria Violations but with greater environmental impacts and costs than proposed project)

Ms. Harrington reiterated that Dominion staff as well as the State Corporation Commission's staff and hired third party consultants looked at the alternatives and the impact they would pose to the surrounding environment, neighbors and homes. Dominion and the State Corporation settled on two solutions: 1) utilize an existing corridor from Charles City County to New Kent County and into James City County; and 2) build a brand new transmission line from the Surry Power Station across the James River into James City County. The State Corporation Commission, at the end of 2013 and again in February 2014, ordered Dominion to have a transmission line (Skiffes Creek project) in service before the summer of 2015. As of today, the transmission line has not been constructed due to the required permits.

Ms. Harrington noted the Summary of Challenges faced by Dominion:

- Growing need for electricity on the Virginia Peninsula
- Yorktown coal units scheduled for closure in April 2017
- Federal law mandates compliance with electric reliability standard

- Potential widespread blackouts across Peninsula from April 2017 until Skiffes Creek project is complete due to inability to supply needed electricity
- Automatic scheme being developed to avoid outages cascading into Richmond, Northern Virginia, or North Carolina

Ms. Harrington stated that Dominion was doing everything they could to avoid service interruptions, but it was important to advise of the situation. She stated that Dominion was obligated to follow specific rules of operating the grid because of the North American Electric Reliability Commission (NAERC) standards. The grid was very vulnerable, and Dominion had to isolate area outages to avoid so that they did not cascade to other areas. Currently, there were two main sources of power to the Peninsula: 1) Route 17, James River Line; and 2) Chickahominy Power Station Line. Dominion was working hard to connect the Peninsula to the Surry Power Station. There was the potential for power outages during the summer of 2017 when the Yorktown Power Station is retired. The solution to avoid such outages was to inject power into the Peninsula, which Dominion was working very hard to do. Their solution was to build a line that travelled around Hog Island, across the James River into a location that Dominion identified and purchased for a new switching station, connected to the 230 kV grids and brought down into the City of Hampton. This particular solution was selected by the State Corporation Commission and their third party consultants, because it relieved the overloads, it took away the NAERC criteria violations, and it had the least impact to the environment and surroundings. Ms. Harrington stated it was important to note that cost also figured into the determination and this was one of the least expensive alternatives that was considered. Construction of the project would take 18 - 20 months to build, and Dominion had yet to get started. She and Mr. Chafin were concerned that when the Yorktown Power Station retired in April of 2017, that the region could face service overload during high-peak usage. Historical data noted that the electrical grids were mechanical and could break and needed to be taken out of service for maintenance, which would result in outages 50 to 80 times per year. Ms. Harrington pointed out that since construction of the Skiffes Creek project had not yet begun, Dominion was not only worried about the summer of 2017, but the winter and the years to come. She noted the areas of potential impact included James City County, York County, Williamsburg, Newport News, Hampton and Poquoson.

Ms. Harrington advised that the U.S. Army Corps of Engineers had been reviewing the project since 2012 and had yet to issue a permit. Dominion could not begin construction until a permit was issued. Dominion filed for the project in 2012, the FCC approved it, and a permit was needed from the Virginia Marine Resources Commission and James City County, but neither was interested in approving a permit until the U.S. Army Corps of Engineers approved the project. Ninety-nine (99%) percent of the projects built by Dominion in Virginia were under the nationwide U.S. Army Corps of Engineer's umbrella and took approximately four to six months for approval. The Skiffes Creek

project was difficult because it was going through individual permit processes from the U.S. Army Corps of Engineers' Norfolk office, which provided an opportunity for community and consulting party input. There had been five consulting parties, meetings, hearings, and opportunities for public comment throughout the process. Ms. Harrington noted the chronological regulator process for the Skiffes Creek project:

- December 2015 – Dominion worked with the Commonwealth of Virginia and the U.S. Army Corps of Engineers to prepare a Mitigation package.
- January 2016 – Mitigation package presented to U.S. Army Corps of Engineers that included a group of projects that Dominion hoped would offset the impacts that would be realized through the project. When the projects were evaluated by the Corps of Engineers they considered the following: 1) Can we avoid making an impact? 2) Can we minimize making an impact? 3) Can we mitigate the impact?
- Summer 2016 – Mitigation package was sent out for final review
- July 27, 2016 – Comment period ended
- September 27, 2016 – Resolution of Historic Preservation pending approval – The U.S. Army Corps of Engineers, Dominion Virginia Power, the Virginia State of Historic Preservation and the Advisory Council on Historic Preservation must all agree to the Resolution of Historic Preservation issues before the US Army Corps of Engineers can make a final permit decision. The Norfolk office was continuing to revise and review the Mitigation package.

Ms. Harrington advised that until the Mitigation package was signed off by Colonel Jason E. Kelly, Commander, U.S. Army Corps of Engineers, Norfolk District, a permit would not be issued. Colonel Kelly's decision could be to deny the permit, to approve the permit, or require Dominion to continue doing environmental assessments.

Ms. Harrington stated that Dominion needed the line and the need had not gone away. They were working very hard to ensure that all the maintenance and equipment that was on the Peninsula was fully operational. There had been media coverage about the work they had done over the past several years to shore-up the equipment and get it in the best operating condition as possible. Dominion was hopeful and cautiously optimistic that construction could begin soon.

Ms. Harrington noted the Surry-Skiffes Creek 500 kV Transmission Line had a visual impact throughout five cultural sensitive areas of Hampton Roads (see copy of viewpoints of the Surry-Skiffes Creek 500 KV Transmission Line – James River Crossing, attached to these minutes).

Mayor Price inquired whether the Army Corps workload had prevented it from making a decision on the permit for Dominion. Ms. Harrington replied that Dominion had been in daily contact

with the Army Corps project representative and did not believe the delay had anything to do with their workload. They had been beyond responsive and certainly recognized the significance of the project.

Mayor Price inquired about the lifespan of the Surry Power Station. Ms. Harrington replied that she did not know; however, she would get the information and provide it to Mayor Price. She stated that Dominion did ask for a continuation permit and certificate to continue operating the Surry Plant long into the future. The solution to connect to that side of the river was not necessarily connecting to the Surry Nuclear Station, but Dominion wanted to connect to the 500 kV switching yard, which pulled in power from Brunswick, North Anna, Chesapeake, etc. Even if the Surry plant was down for maintenance or refueling Dominion could still send all that power across the James River.

Councilwoman Scott inquired whether taking the Yorktown Power Station off-line would impact the locations closest to the station, such as York County. Ms. Harrington replied that because of the inter-connective nature of the grid, the six localities that would potentially be impacted would be Poquoson, York County, James City County, Williamsburg, Newport News, and Hampton. Those were the areas that Dominion was most worried about, once the Yorktown Power Station retired.

Councilwoman Scott questioned what type of service interruptions would be realized once the Yorktown Power Station was off-line without the Skiffes Creek project being in service. Ms. Harrington replied that there would be two broad categories of service interruptions: 1) a series of rotating blackouts during the summer months. To avoid such Dominion would need to administer power to customers intermittently throughout a 24-hour period (systematic deliberate rotating outages) to avoid a major blackout; and 2) an automatic scheme working with PJM, Dominion's regional transmission operator; PJM operated the grid for approximately 60 million customers, in 14 States and Washington, D.C., and if they could order Dominion to put in an automatic scheme to drop power to more than 150,000 customers at one time, if they were to lose any major component of the transmission grid. Dominion was working with the grid operator on how to balance the grid and avoid the situation, but it was a potential threat.

Councilwoman Scott inquired about customers who were dependent on electricity for life-support, oxygen or other electrical devices and whether it would be detrimental for them should they lose power. She inquired whether such individuals would be notified and how would Dominion handle such a situation. Ms. Harrington replied if PJM ordered Dominion to drop service, it would be immediate and Dominion would not be able to contact customers; however, Dominion could contact customers should they have to systematically rotate outages. Mr. Steven A. Chafin, Director, Transmission Planning & Strategic Initiatives, replied that Dominion had identified customers with medical conditions and they tried to provide them with advance notice when they anticipated power outages due to storms and other circumstances so that they could make necessary arrangements. They tried to provide advance warning and in this scenario, Dominion was going to do their best to notify customers of power outages, but if power was put out by PJM they could not provide advance warning.

Vice Mayor Vick pointed out that most patients on life support equipment and life-sustaining electrical devices received advice from their physicians as to what to do in the event of an electrical outage.

Councilwoman Scott inquired whether Dominion could contact customers by robo-call or e-mail should they suspect blackout periods. Ms. Harrington replied that Dominion's future website "PoweringthePeninsula.com," which was under development would be a place where customers could acquire information. The website was due to launch before the end of 2016, and would provide information about the Skiffes-Creek project and whether Dominion foresaw operational concerns.

Ms. Harrington thanked City Council for the opportunity to provide the presentation. She stated Dominion wanted to keep major stakeholders up-to-date about the status of the Skiffes-Creek project.

Mayor Price advised that he signed a letter of support for the project and asked the Corps of Engineers to expedite their decision (a copy is attached and made a part of these minutes).

V. Comments/Ideas/Suggestions

Councilman Harris inquired whether there was any follow-up on the STEP program participants. He knew of youth who were involved in the program and were looking for employment. Assistant City Manager Rohlf replied that a report would be provided in the near future.

Councilwoman Cherry advised that she received an inquiry about whether the City had looked at extending funding for the organizations that had STEP participants in order to keep them working. Assistant City Manager Rohlf replied no, as only \$1.5 million was included in the FY 2016 – 2017 Budget for the program.

Councilwoman Cherry inquired whether any of the \$1.5 million was used for demonstration programs. She stated there were many who applied, but did not receive funding. Ms. Cipriano replied that \$1.1 million was included in FY 2015-2016 Operating Budget. She advised that the City offered small grants in FY 2015 for lecturing programs, but no funding was provided for lecturing programs in the FY 2016 – 2017 Operating Budget.

City Clerk Mabel Washington Jenkins reminded about the VML Conference to be held on October 9 – 12, 2016 in Virginia Beach, VA. She advised that the deadline for hotel reservations had passed.

City Clerk Jenkins announced that the new list of VML Regional Suppers had been published. She stated the Hampton Roads region supper would be held in November 2016. She asked City Council to let her know whether they wanted to be registered to attend the event.

Councilwoman Cherry stated that she received an overgrown grass complaint from the Chair of Neighborhood Watch Group for the Clark Center on Maple Avenue. She did not know whether it was the responsibility of the Hampton Roads Community Action Program (HRCAP) or the City, but the

individual stated that the grass was so overgrown that children could not play on the playground. Assistant City Manager Rohlf stated that she would have staff look into the matter.

Councilwoman Scott stated that the HRT bus stops remained problem areas. She had seen people trashing the areas. She inquired whether the City could get involved and put some type of decorative trash cans in the areas. Assistant City Manager Rohlf replied that it had been an ongoing issue and the City had been in communication with HRT, who indicated that they would try to help, but additional funding was needed. The cans were expensive and there was an issue about who would pick-up the trash. They were trying to identify some of the worse sites to install trash receptacles. She and staff were aware of the problem, and tried to take care of matters as they materialized.

Councilwoman Woodbury indicated that she had been told that HRT had received grant funding for shelters and trash receptacles, but a priority list for certain locations had not been provided by the City. Councilwoman Scott indicated that she would try to note the locations and provide them to HRT. Assistant City Manager Rohlf stated she would contact HRT as there had been ongoing issues. Councilwoman Woodbury reiterated that she was told that HRT had grants, funding and shelters. Councilwoman Scott indicated she would provide the locations where trash receptacles and shelters were needed. Assistant City Manager Rohlf replied that she would provide a report on how to address the matter as it had become an ongoing problem and had not gotten any better. Staff had to step up because that went against everything they were trying to do in terms of the Community Maintenance initiative.

Councilwoman Cherry reminded about her request to have the bench at 7-Eleven removed. She stated the bench did not belong to HRT. Assistant City Manager Rohlf stated that as part of the City's process with 7-Eleven, the bench was installed at that location. She stated she would look into the matter.

Councilwoman Scott noted a matter that came up at the HRT meeting, which she had brought up approximately 10 years ago, concerning businesses being able to advertise on HRT bus shelters. City Attorney Owens replied there were prohibitions about off-premise signage. Councilwoman Scott inquired whether an ordinance would be required by City Council to allow advertisements on bus shelters. City Attorney Owens noted that the shelters were located on the public right-of-way, and City Council would be allowing private signs on the public-right-of-way.

Councilwoman Scott stated there was a proliferation of signs in the Denbigh area and throughout the City advertising housing, furniture, beds, sheets, etc. Assistant City Manager Rohlf stated that several staff members from the Department of Codes Compliance went out on the weekends to pick-up illegal signage throughout the City. She asked Councilwoman Scott to provide her with any pictures that she might have that noted illegal signage, and she would have staff take care of the matter.

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THERE BEING NO FURTHER BUSINESS
ON MOTION, COUNCIL ADJOURNED AT 5:39 P.M.


Jennifer D. Walker, MMC
Chief Deputy City Clerk

McKinley L. Price
Mayor
Presiding Officer

A true copy, teste:

City Clerk