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Petersburg, VA 23803
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South Central Wastewater Authority Board of Directors Meeting

DATE: May 18, 2017

TIME: 2:00 PM

LOCATION: Appomattox River Water Authority
Board Room, Administration Building
21300 Chesdin Road
South Chesterfield, Virginia 23803

AGENDA

1. Call to Order/Roll Call
2. Approval of Minutes: Minutes of the Regular Meeting of the Board on March 16th, 2017
3. Public Comment
4. Executive Director's Report:
 - Award of the Replacement Water Line Project
 - Award of Annual Financial Audit Services for 2018-2021
 - Status Report: Ongoing Projects/Operational/Financials/I&I
5. Approval of Proposed Fiscal Year 2017-2018 Budget
6. Items from Counsel
7. Closed Session
8. Other Items from Board Members/Staff Not on Agenda: July 3rd- Request for 8 hours additional holiday time for all employees
9. Adjourn

Cc:W. Dupler/George Hayes, Chesterfield
D. Harrison, Petersburg Public Works
W. Henley, Colonial Heights
K. Massengill, Dinwiddie County
A. Anderson, McGuire Woods

1. Call to Order/Roll Call

2. Approval of Minutes: Minutes of the Regular Meeting of the Board on March 16th, 2017

Following are the minutes of the Regular Meeting of the South Central Wastewater Authority Board of Directors on March 16, 2017.

Absent any corrections or revisions, we recommend approval of the minutes as submitted.

BOARD OF DIRECTORS MEETING

South Central Wastewater Authority

March 16, 2017 at 2:00 p.m.

Location: South Central Wastewater Authority
900 Magazine Road, Petersburg, Virginia

PRESENT:

Percy Ashcraft, Chairman (Prince George)
William Henley, Vice-Chairman (Colonial Heights)
Robert B. Wilson (Dinwiddie)
Joseph Casey, (Chesterfield)
Tom Tyrrell, (Petersburg)
George Hayes, Secretary (Alternate, Chesterfield)
Kevin Massengill, (Alternate, Dinwiddie)
Charles England, (Alternate, Prince George)
William Dupler, (Alternate, Chesterfield)
William Johnson, (Alternate, Colonial Heights)

ABSENT:

Daniel Harrison (Alternate, Petersburg)

STAFF:

Robert C. Wichser, Executive Director, (ARWA & SCWWA)
James C. Gordon, Asst. Executive Director (ARWA & SCWWA)
Dale Mullen, (McGuire Woods)
Melissa Wilkins, Accounting/Office Manager (ARWA & SCWWA)
Kathy Summerson, Administrative Assistant (SCWWA)
Cindy Nester, Administrative Assistant (ARWA)

OTHERS:

Chris Tabor (Hazen & Sawyer)
Mike Wooten, (Arcadis)
Barry Woods (AECOM Technology)
Steven Micas, (Prince George)
Ted Cole, (Davenport)
Jack Berry, (Petersburg)

Mr. Ashcraft, Chairman, called the meeting to order at 2:11 p.m.

1. Call to Order/Roll Call.

The roll was called.

2. Approval of Minutes: Minutes of the Regular Board Meeting on January 19, 2017:

Upon a motion made by Mr. Wilson and seconded by Mr. Henley the following resolution was adopted:

RESOLVED, that the minutes of the Regular Meeting of the Board on January 19, 2017 are hereby approved:

For: 5 Against: 0 Abstain: 0

3. Public Comment and Public Hearing on Proposed FY2017/18 Operating Budget

There were no public comments. Mr. Ashcraft opened the proposed 2018 Budget Public Hearing at 2:13 p.m. and there being no public comments the Budget Public Hearing was closed at 2:14 p.m. Mr. Ashcraft stated adoption of the Budget will be held at the May 18, 2017 Board meeting.

4. Executive Director Report

• Status Report: Ongoing Projects/Operational/Financial/I&I

Mr. Gordon went over the Ongoing Projects/Operational/Financial and I&I.

5. Items from Counsel

There were no Items from Counsel.

6. Closed Session

There was no closed session.

7. Other Items from Board Members/Staff Not on Agenda

Dr. Casey wanted to know why the Authority advertises amongst multiple newspapers and Mr. Gordon replied we have to advertise in multiple papers so local members can have access to it. Dr. Casey asked if this were a legal requirement and Dr. Wichser said we would look into this. In the future it will be advertised that this is a wholesale rate so it doesn't confuse customers. Mr. Ashcraft asked about the new IT office being built and Mr. Gordon replied that it was in the budget this year to hire two new IT personnel as the two IT Departments between ARWA and SCWWA were joined. Two existing employees

were promoted to Manager and Technical Advisor roles so they could be shared between the two Authorities. Due to limited office space for the new hires we updated existing space on the third floor of the Administration building.

8. Adjourn

Upon a motion made by Mr. Henley and seconded by Mr. Wilson the meeting was adjourned at 2:25 p.m.

The next regularly scheduled Board meeting is Thursday, May 18, 2017 at 2:00 p.m. at the Appomattox River Water Authority.

MINUTES APPROVED BY:

George Hayes
Secretary/Treasurer

3. Public Comment

The Guidelines for Public Comment are:

GUIDELINES FOR PUBLIC COMMENT AT SCWWA/ARWA BOARD OF DIRECTORS MEETINGS

If you wish to address the SCWWA/ARWA Board of Directors during the time allocated for public comment, please raise your hand or stand when the Chairman asks for public comments.

Members of the public requesting to speak will be recognized during the specific time designated on the meeting agenda for “Public Comment Period.” Each person will be allowed to speak for up to three minutes.

When two or more individuals are present from the same group, it is recommended that the group designate a spokesperson to present its comments to the Board and the designated speaker can ask other members of the group to be recognized by raising their hand or standing. Each spokesperson for a group will be allowed to speak for up to five minutes.

During the Public Comment Period, the Board will attempt to hear all members of the public who wish to speak on a subject, but it must be recognized that on rare occasion presentations may have to be limited because of time constraints. If a previous speaker has articulated your position, it is recommended that you not fully repeat the comments and instead advise the Board of your agreement. The time allocated for speakers at public hearings are the same as for regular Board meeting, although the Board can allow exceptions at its discretion.

Speakers should keep in mind that Board of Directors meetings are formal proceedings and all comments are recorded on tape. For that reason, speakers are requested to speak from the podium and wait to be recognized by the Chairman. In order to give all speakers proper respect and courtesy, the Board requests that speakers follow the following guidelines:

- Wait at your seat until recognized by the Chairman;
- Come forward and state your full name and address. If speaking for a group, state your organizational affiliation;
- Address your comments to the Board as a whole;
- State your position clearly and succinctly and give facts and data to support your position;
- Summarize your key points and provide the Board with a written statement or supporting rationale, when possible;
- If you represent a group, you may ask others at the meeting to be recognized by raising their hand or standing;
- Be respectful and civil in all interactions at Board meetings;
- The Board may ask speakers questions or seek clarification, but recognize that Board meetings are not a forum for public debate; Board Members will not recognize comments made from the audience and ask that members of the audience not interrupt the comments of speakers and remain silent while others are speaking so that other members in the audience can hear the speaker;
- The Board will have the opportunity to address public comments after the Public Comment Period has been closed;
- At the request of the Chairman, the Executive Director may address public comments after the session has been closed as well; and
- As appropriate, staff will research questions by the public and respond through a report back to the Board at the next regular meeting of the full Board. It is suggested that citizens who have questions for the Board or staff submit those questions in advance of the meeting to permit the opportunity for some research before the meeting.

4. Executive Director's Report:

- **Award of the Replacement Water Line Project**

Following is a memorandum concerning the Award of the SCWWA Replacement Water Line Project.

MEMORANDUM

**TO: SOUTH CENTRAL WASTEWATER AUTHORITY
BOARD OF DIRECTORS**

**FROM: ROBERT C. WICHSER, EXECUTIVE DIRECTOR
JAMES C. GORDON, ASSISTANT EXECUTIVE DIRECTOR**

SUBJECT: SCWWA WATERLINE REPLACEMENT PROJECT AWARD

DATE: MAY 18, 2017

On March 19, 2017 SCWWA advertised for bids related to the facility waterline replacement project. This project will consist of providing and installation of a new potable waterline serving the entire facility and replaces a 1950s 1400 linear foot existing corroded waterline. This project is expected to take 150 days. A pre-bid conference was held at SCWWA in March and bids were opened on April 20, 2017 at 2:00 PM.

This project was Board-approved in May 2016 with the acceptance of the 2016-2017 SCWWA Equipment Repair and Replacement projects. Our Trust Engineer (WW Associates) came in with an estimate that had projected total project costs at \$300,000, and there is \$300,000 in the budget for this project under the Replacement Fund Budget.

The bids received were as follows:

<u>Contractor</u>	<u>Total Bid</u>
Southern Construction	\$231,000
Lyttle Utilities	\$647,700
Enviroscape Inc.	\$683,000

WW Associates has reviewed the contractor-submitted bid information and has recommended award of this project to Southern Construction of Prince George County, Virginia for \$231,000. This contractor has successfully worked on previous construction projects at both ARWA & SCWWA.

Project costs are as follows:

- WW Associates engineering cost (Design, Bidding Assistance, Construction Administration/Inspection): \$26,000
- Contractor Cost: \$231,000
- Project cost (Engineering, Bidding Services, Construction Administration/Inspection, and Construction Contractor): \$257,000
- Total SCWWA waterline replacement project budgeted funds: \$300,000

- An additional ten (10%) contingency of \$25,700 is requested to be used only if needed and will be taken if needed from the Equipment Replacement Account.

BOARD ACTION REQUESTED:

Staff requests that the Board of Directors authorize the Executive Director to award the SCWWA Waterline Replacement Project to Southern Construction of Prince George County, Virginia in the amount of \$231,000, and that the Executive Director be authorized to execute necessary change orders in additional amounts, if deemed necessary to complete this project, not to exceed ten percent of the construction costs. Total construction costs, including engineering, will not exceed \$282,700.

- **Award of Annual Financial Audit Services for 2018-2021**

Following is a memorandum concerning the Award of the Annual Financial Auditing Services for the Authorities for 2018-2021.

MEMORANDUM

TO: APPOMATTOX RIVER WATER AUTHORITY & SOUTH CENTRAL WASTEWATER AUTHORITY BOARD OF DIRECTORS

FROM: MELISSA WILKINS, ACCOUNTING/OFFICE MANAGER

REVIEWED BY: ROBERT C. WICHSER, EXECUTIVE DIRECTOR

SUBJECT: ARWA/SCWWA AWARD OF ANNUAL PROFESSIONAL FINANCIAL AUDIT SERVICES

DATE: MAY 18, 2017

On April 7, 2017 the Appomattox River Water Authority and South Central Wastewater Authority issued a request for proposal related to annual financial auditing services. Both Authorities are required to annually prepare a Comprehensive Annual Financial Report (CAFR) that is audited by an independent outside CPA firm, with this final report then presented in public session to each Board. The annual report is prepared to meet the Generally Accepted Accounting Principles which is a full accrual basis of reporting.

Three outside accounting firms submitted professional services proposals, including:

Brown Edwards, Lynchburg, Virginia
Robinson, Farmer, Cox Associates, Charlottesville, Virginia
Dixon Hughes Goodman LLP, Chester, Virginia

Interviews were conducted during the period from April 27 to May 4th and each firm submitted their proposed fees (nonbinding cost estimate) that would cover the potential contract period of 2018 through 2021. Based on the submittals, interviews and fee estimates associated with this work, the ARWA/SCWWA internal selection committee makes the following recommendation.

BOARD ACTION REQUESTED:

Staff requests that the Board of Directors of both the Appomattox River Water Authority and South Central Wastewater Authority authorize the Executive Director to execute a Professional Financial Audit Services Agreement with Robinson, Farmer, Cox Associates, Charlottesville, Virginia for the period of 2018-2021.

- **Status Report: Ongoing Projects/Operational/Financials/I&I**

Following are status reports concerning the Ongoing Project, Operations, Financials, and Inflow and Infiltration for the SCWWA.

MEMORANDUM

TO: SOUTH CENTRAL WASTEWATER AUTHORITY BOARD OF DIRECTORS

**FROM: ROBERT C. WICHSER, EXECUTIVE DIRECTOR
JAMES C. GORDON, ASSISTANT EXECUTIVE DIRECTOR**

SUBJECT: STATUS REPORT – ON-GOING PROJECTS

DATE: MAY 18, 2017

The following projects are underway. This report includes sections on Capital projects and large replacement projects.

Waterline Replacement Project

- Bids were opened on April 20, 2017.
- Southern Construction was the low bidder in the amount of \$231,000.
- A Bid award memorandum for this project was included in this package for Approval.

Wastewater Treatment Plant Improvements, Phase 2

- This project includes 2 new grit classifier assemblies, and 2 new scum concentrators. .
- Project is currently in the design phase and should be ready for bid near the end of May, 2017.
- We anticipate cutting an opening in the wall of the pretreatment structure to install a roll up door. This will be utilized to move the existing equipment out of the building and installation of new equipment into the building.

MEMORANDUM

TO: SOUTH CENTRAL WASTEWATER AUTHORITY BOARD OF DIRECTORS

**FROM: ROBERT C. WICHSER, EXECUTIVE DIRECTOR
JAMES C. GORDON, ASST. EXECUTIVE DIRECTOR**

SUBJECT: OPERATING & FINANCIAL STATUS REPORT

DATE: MAY 18, 2017

Operating Status Report:

General:

- The next scheduled Board of Directors Meeting is Thursday June 15, 2017 at the Appomattox River Water Authority at 2:00 pm.
- The plant is currently accepting up to 20 loads of leachate originating from the Charles City and Amelia.
- Staff interviewed three auditing firms who responded to our RFP.
- The SCWWA's VPDES permit application and Data has been submitted. Staff is awaiting the draft permit.
- Employee evaluations are ongoing.

Status of Nutrient Waste-load

- Total Phosphorus (TP)
 - Waste-load allocation Total Phosphorus: 28,404 lbs. on a calendar basis (reduced from 35,024 in 2016)
 - Proportional waste-load through February 2017 = 9468 lbs. Total actual waste-load through April 2017 was 4,425 lbs. (At this time, the SCWWA is 5,023 lbs. of TP under our expected waste-load allocation for this point in the year)
- Total Nitrogen (TN)
 - Waste-load allocation Total Nitrogen: 350,239 lbs. on a calendar basis
 - Actual waste-load through February 2017 = 116,746 lbs. Total actual waste-load through April 2017 was 185,923 lbs. (At this time, the SCWWA is 69,177 lbs. of TN over our expected waste-load allocation for this point in the year.)
 - Note: The SCWWA is locked-in to purchasing an additional 165,451 credits for 2017

Operations:

- Plant effluent met all discharge permit requirements for the month of March and April. Copies of the discharge monitoring reports (DMR's) for the VPDES permit and the general permit are available if anyone would like to see them.
- Staff working with Maintenance have successfully replaced the diffusers in 2C aeration basin. The new diffusers are working much more efficiently.
- Cleaning aeration basins in preparation of new diffuser installation.
- Dropping and cleaning secondary clarifiers so contractors can inspect and quote the repair of the floors for 1 & 2

Maintenance:

- Performing PMs on equipment
- Completed inspection and installation of chains in the primary tanks.
- Ordering supplies to replace the current Live Bottom bin in kind.
- Purchasing supplies and planning the electrical upgrade to improve electrical quality at the Chlorine Contact Tanks and Vehicle Storage Building.
- Receiving cost estimates to repair on or our Live Bottom Bins.

- New signage has been put up to provide direction to the SCWWA

Instrumentation

- Successfully coordinated and completed the new Authority Phone system and gate controls.
- Worked with our new IT Service contractor to implement the new security enterprise software.
- The installation of the new Sodium Bisulfite Feed pumps is now complete.
- Our new hire starting May 15th will fully staff this department.

Laboratory

- Continue to inspect and sample IPP Industries.
- Annual PT samples have been analyzed and submitted to maintain certification.

Financial Status Report:

Following is the Executive Summary of the Monthly Financial Statement that includes the YTD Budget Performance and the Financial Statement for April 2017.

South Central Wastewater Authority
Monthly Financial Statements-April 2017

Wastewater Rate Center

Revenues and Expenses Summary

<i>Budget</i>	<i>Budget</i>	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
<i>FY 16/17</i>	<i>Year-to-Date</i>	<i>Year-to-Date</i>	<i>vs. Actual</i>	<i>Percentage</i>

Operating Budget vs. Actual

Revenues

Septage/Misc Revenue	\$ 435,000	\$ 362,500	\$ 1,476,515	\$ 1,114,015	307.31%
O&M Revenue	\$ 7,098,900	\$ 5,915,750	\$ 5,915,750	\$ (0)	0.00%
Reserve Policy	\$ 676,801	\$ 564,001	\$ 564,001	\$ -	0.00%
ER&RF Revenue	\$ 426,495	\$ 355,413	\$ 355,413	\$ 0	0.00%
Total Operating Revenues	\$ 8,637,196	\$ 7,197,664	\$ 8,311,678	\$ 1,114,015	15.48%

Expenses

Personnel Cost	\$ 2,581,000	\$ 2,152,000	\$ 2,019,901	\$ (132,099)	-6.14%
Contractual/Professional Services	\$ 326,000	\$ 277,750	\$ 174,137	\$ (103,613)	-37.30%
Utilities	\$ 488,000	\$ 406,667	\$ 346,072	\$ (60,594)	-14.90%
Communication	\$ 17,500	\$ 14,583	\$ 14,023	\$ (560)	-3.84%
Office/Lab/Purification Supplies	\$ 74,500	\$ 62,083	\$ 49,710	\$ (12,374)	-19.93%
Insurance	\$ 70,000	\$ 70,000	\$ 60,595	\$ (9,405)	-13.44%
Lease/Rental Equipment	\$ 11,000	\$ 9,167	\$ 5,994	\$ (3,173)	-34.61%
Travel/Training/Dues	\$ 59,900	\$ 49,917	\$ 33,319	\$ (16,597)	-33.25%
Safety/Uniforms	\$ 41,500	\$ 34,583	\$ 42,619	\$ 8,036	23.24%
Chemicals/Sludge Disposal	\$ 920,000	\$ 766,667	\$ 625,578	\$ (141,088)	-18.40%
Repair/Maintenance Parts & Supplies	\$ 480,500	\$ 400,417	\$ 293,364	\$ (107,053)	-26.74%
Total Operating Expenses	\$ 5,069,900	\$ 4,243,833	\$ 3,665,312	\$ (578,521)	-13.63%
Operating Suplus/(Deficit)	\$ 3,567,296	\$ 2,953,830	\$ 4,646,366	\$ 1,692,536	57.30%

Replacement Outlay Budget vs. Actual

Machinery & Equipment	\$ 60,000	\$ 50,000	\$ 25,687	\$ (24,313)	-48.63%
Instrumentation	\$ 35,000	\$ 29,167	\$ 25,563	\$ (3,604)	-12.36%
SCADA	\$ 15,000	\$ 12,500	\$ 254	\$ (12,246)	-97.97%
Computer Equipment	\$ 15,000	\$ 12,500	\$ 2,889	\$ (9,611)	-76.89%
Construction FY15/16	\$ 770,956	\$ 770,956	\$ 744,067	\$ (26,889)	-3.49%
Construction FY16/17	\$ 2,315,000	\$ 1,929,167	\$ 173,717	\$ (1,755,450)	-91.00%
Total Replacement Outlay	\$ 3,210,956	\$ 2,804,289	\$ 972,177	\$ (1,832,113)	-65.33%

Other Income/Expense Budget vs. Actual

Nutrient Credit Purchases (Expense)	\$ 1,020,000	\$ 850,000	\$ 837,670	\$ (12,330)	-1.45%
Nutrient Reduction	\$ -	\$ -	\$ 1,272	\$ 1,272	#DIV/0!
Interest-Jurisdictions (Income)	\$ -	\$ -	\$ 264,156	\$ 264,156	#DIV/0!

South Central Wastewater Authority
For Month Ending April 30, 2017

Assets

Current Assets

Petty Cash	\$	250
Wells Fargo Operating Account	\$	3,373,431
Wells Fargo FY 15/16 Carryover	\$	996,000
<i>Total Unrestricted Cash</i>	\$	4,369,681

Wells Fargo Reserve	\$	1,902,987
ERRF	\$	2,412,697
<i>Total Restricted Cash</i>	\$	4,315,684

Total Checking/Savings	\$	8,685,365
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Accounts Receivable	\$	583,828
Long Term Receivable (Petgs/Legal)	\$	136,912

Total Current Assets	\$	9,406,106
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Fixed Assets

Sewer System Plant	\$	32,400,354
Equipment & Vehicles	\$	2,835,761
Plant Machinery	\$	7,319,643
Construction in Progress	\$	2,024,835
Land	\$	92,968
Accumulated Depreciation	\$	(26,503,908)

Total Fixed Assets	\$	18,169,654
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Other Assets

Inventory	\$	538,664
Pension	\$	136,390

Total Other Assets	\$	675,054
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Total Assets

	\$	28,250,814
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Liabilities & Equity

Current Liabilities

Accounts Payable	\$	17,956
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Total Current Liabilities	\$	17,956
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Other Current Liabilities

Payroll Accruals	\$	177,923
Retainage Payable	\$	5,999
Suspense-Clearing Account	\$	834,545
Refunds Due Member Localities	\$	-

Total Other Current Liabilities	\$	1,018,467
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Long Term Liabilities

Net OPEB Obligation	\$	59,700
Def Inf Res-Net Dif Pension Inv	\$	165,276
Net Pension Liability	\$	526,652

Total Long-Term Liabilities	\$	751,628
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Total Liabilities

	\$	1,788,051
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Equity

Retained Earnings	\$	9,193,994
Initial Locality Contribution Cap.	\$	14,166,822

Net Income	\$	3,101,947
Total Equity	\$	26,462,763

Total Liabilities & Equity

	\$	28,250,814
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MEMORANDUM

TO: SOUTH CENTRAL WASTEWATER AUTHORITY BOARD OF DIRECTORS

FROM: ROBERT C. WICHSER, EXECUTIVE DIRECTOR
JAMES C. GORDON, ASSISTANT EXECUTIVE DIRECTOR

SUBJECT: INFLOW AND INFILTRATION

DATE: MAY 18, 2017

Precipitation for March 2017 totaled 4.9". While March is typically fairly wet this was above average. The average flow for March did not reflect what we typical see after months with these high numbers for precipitation. Our March 2017 Max daily flow peaked at 20.1 mg. We may not have seen as significant an impact as usually due partly to a dry February. April was dryer than normal and precipitation was the lowest seen in the last 7 years. Even with the low precipitation numbers, flows were typical for this April.

Month	Rainfall (inches)	Average Flow (mgd)
April 2016	2.55	10.379
May 2016	8.86	15.369
June 2016	4.21	12.560
July 2016	4.21	11.300
August 2016	0.64	9.030
September 2016	8.45	10.565
October 2016	3.65	14.198
November 2016	1.160	9.194
December 2016	2.280	9.980
January 2017	3.310	14.509
February 2017	1.030	10.873
March 2017	4.900	11.681
April 2017	1.460	11.152

PRIMARY FLOW DATA

April	2017	2016	2015	2014	2013	2012	2011
Minimum (mgd)	9.061	9.535	10.890	10.367	10.972	9.693	9.768
Maximum (mgd)	20.181	11.498	23.441	22.924	17.729	16.078	18.802
Average (mgd)	11.681	10.379	13.098	13.307	13.391	10.887	11.484
Rainfall (inches)	1.460	2.55	4.24	3.64	4.42	2.76	3.73

5. Approval of Proposed Fiscal Year 2017-2018 Budget

Following is a memorandum concerning and a copy of the Proposed Fiscal Year 2017-2018 Budget.

MEMORANDUM

**TO: SOUTH CENTRAL WASTEWATER AUTHORITY
BOARD OF DIRECTORS**

**FROM: ROBERT C. WICHSER, EXECUTIVE DIRECTOR
JAMES C. GORDON, ASSISTANT EXECUTIVE DIRECTOR**

SUBJECT: APPROVAL OF FISCAL YEAR 2018 BUDGET

DATE: MAY 18, 2017

At the January 19, 2017 Board Meeting, the proposed budget was presented and discussed in detail. The budget has been twice publicly advertised and the budget's public meeting was held during the March 16, 2017 Board of Directors meeting.

We are now ready to move forward with your approval on the proposal fiscal year budget item.

As a recap, the annual budget revenues for FY 2017/2018 (\$9,699,383) are decreasing for the South Central members (-\$2,813) from FY 2016/2017 budget due to expected outside miscellaneous revenue income. Reductions in equipment replacement (-\$334,000) and nutrient credit purchases (-\$160,000) is noted. Funds requested for the Replacement Fund are also decreasing from \$2.44M to \$2.10M. The Board decided to continue contributing to the reserve policy, and this is increasing from \$676,801 to \$685,868.

On Sunday February 19th & 26th 2017, the South Central Wastewater Authority advertised in numerous local newspapers as follows:

SOUTH CENTRAL WASTEWATER AUTHORITY PROPOSED BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2018

Notice is hereby given that the Board of the South Central Wastewater Authority (the "Authority") will hold a public hearing for informative and fiscal planning purposes to consider the following proposed budget for the fiscal year ending June 30, 2018 ("FY2018") including the estimated amounts to be paid by each of the Authority's five participating jurisdictions. The public hearing allows the public to question and comment on the proposed budget.

The meeting, which may be continued or adjourned, will be held after the conclusion of the meeting of the Appomattox River Water Authority, which is scheduled to begin at 2:00 o'clock p.m. on March 16, 2017, before the Board, in the South Central Wastewater Authority Board Room at 900 Magazine Road, in Petersburg, Virginia. Any person interested may appear at the meeting and present their views. Information regarding the proposed budget is on file and is open for inspection at the South Central Wastewater Authority's office at 900 Magazine Road, Petersburg, Virginia, during business hours.

PROPOSED BUDGET

REVENUES

Chesterfield County	\$745,223
City of Colonial Heights	1,707,986
Dinwiddie County	683,983
City of Petersburg	4,511,705
Prince George County	550,486
*Estimated Miscellaneous Revenue (Septage, Leachate).....	<u>1,500,000</u>
TOTAL REVENUES	\$9,699,383

*Miscellaneous Revenue Rates

- Septage rate = greater of \$25/truck or \$0.05/gallon offloaded
- Leachate rate = \$0.070+/-gallon offloaded

EXPENSES

Operating and Maintenance Expenses:

Salary	\$1,835,000
Employee Benefits	794,500
Contractual Services	338,300
Other Charges (Utilities, Insurance, Fuel, Training).....	989,900
Materials and Supplies.....	1,185,200
Equipment Replacement.....	2,105,100
Nutrient Credit Purchases	860,000
Additional FY18 O&M Reserves.....	476,300
Reserve Policy	685,868
<u>Emergency Repair & Replacement Fund</u>	<u>429,215</u>
TOTAL EXPENSES	\$9,699,383

REVENUE DETAIL BY PARTICIPATING JURISDICTION

	PRESENT	PROPOSED	ANNUAL	
	FY2017 PAYMENTS	FY2018 PAYMENTS	Cash Difference	% Difference
City of Petersburg	\$4,513,609	\$4,511,705	-\$1,904	-0.04%
City of Colonial Heights	\$1,708,689	\$1,707,986	-\$703	-0.04%
Chesterfield County	\$745,350	\$745,350	-\$127	-0.02%
Prince George County	\$550,564	\$550,486	\$78	-0.01%
Dinwiddie County	\$683,984	\$683,983	-\$1	-0.00%
TOTAL	\$8,202,196	\$8,199,383	-\$2,813	

Pursuant to the wastewater service agreement in effect between the Authority and each of its five participating jurisdictions, the proposed budget as set forth above is subject to change during or after each fiscal year based on, among other things, each participating jurisdiction’s actual use of the Authority’s wastewater treatment facilities.

NOTE: 1. The budget includes expected additional revenue (septage & leachate of \$1,500,000) from outside miscellaneous income.
2. The budget includes revenues to continue building reserves to 50% O&M by 2020.

Board Action Requested:

Staff respectfully recommends that the Board of Directors adopt the advertised budget setting forth rates and charges for Fiscal Year 2018.

SOUTH CENTRAL WASTEWATER AUTHORITY

PROPOSED: January 19, 2017

APPROVED:

OPERATION & MAINTENANCE BUDGET 2017/2018

Acct #	ITEM	Fiscal Year 2016/2017 Budget	Fiscal Year 2017/2018 Budget	Change	
				Increase/ (Decrease) FY16/17 to FY17/18	Reason for changes
51000	SALARY	\$ 1,835,000	\$ 1,835,000	\$ -	Budget includes up to a 3.0% pay for performance increase.
52000	EMPLOYEE BENEFITS	\$ 746,000	\$ 794,500	\$ 48,500	Increase is due to expected increases in health insurance.
52100	Employer FICA	\$ 138,000	\$ 140,000		
52200	Virginia Retirement System	\$ 160,000	\$ 162,000		
52300	Hospitalization Insurance	\$ 416,500	\$ 460,000		
52400	Group Life	\$ 23,000	\$ 23,000		
52450	Supplemental Group Life	\$ 1,500	\$ 1,500		
52500	Health Insurance Credit	\$ 1,500	\$ -		
52700	Employee Promotions	\$ 5,500	\$ 3,500		
52900	OPEB Health Insuranc ARC Adj		\$ 4,500		
53000	Contractual Services	\$ 321,500	\$ 338,300	\$ 16,800	
53121	Auditing Services	\$ 17,000	\$ 15,000		
53122	Accounting Services	\$ 10,000	\$ 7,000		
53123	Administrative Service		\$ 1,700		
53140	Consulting Engineers	\$ 60,000	\$ 60,000		
53150	Legal Services	\$ 60,000	\$ 80,000		
53152	Software Support	\$ 40,000	\$ 40,000		
53160	Medical	\$ 3,500	\$ 3,500		
53162	Bank Service Charges	\$ 3,500	\$ 3,500		
53170	Payment in Lieu of Taxes (City of Petersburg)	\$ 33,500	\$ 33,500		
53190	Samples and Testing	\$ 44,500	\$ 44,500		
53220	VPDES Permit Fee	\$ 9,500	\$ 9,600		
53320	Maintenance Service Contracts	\$ 15,000	\$ 15,000		
53600	Grounds Maintenance	\$ 25,000	\$ 25,000		
55000	Other Charges	\$ 996,900	\$ 989,900	\$ (7,000)	
55050	Advertising	\$ 4,500	\$ 8,000		
55110	Electricity	\$ 450,000	\$ 450,000		
55120	Natural Gas	\$ 20,000	\$ 22,000		
55130	Solid Waste	\$ 2,500	\$ 2,500		

55140	Water (City of Petersburg)	\$ 10,000	\$ 10,000		
55150	Storm Water (City of Petersburg)	\$ 5,500	\$ 5,500		
55160	Sludge Disposal	\$ 360,000	\$ 350,000		
55210	Postage and Freight	\$ 2,500	\$ 5,000		
55230	Telecommunications	\$ 15,000	\$ 15,000		
55308	General Liability Insurance	\$ 70,000	\$ 65,000		
55410	Lease/Rent of Equipment	\$ 11,000	\$ 11,000		
55530	Meals and Lodging	\$ 7,500	\$ 7,500		
55540	Education and Training	\$ 19,400	\$ 19,400		
55550	Safety Supplies	\$ 19,000	\$ 19,000		
56000	Materials and Supplies	\$ 1,170,500	\$ 1,185,200	\$ 14,700	Increases are due to IT maintenance supplies, Dues and Subscriptions and Vehicle and Equipment Fuels. Repair and Maintenance Supplies - IT was split off of Repair and Maintenance Supplies - Shop.
56001	Office Supplies	\$ 17,500	\$ 15,000		
56004	Laboratory Supplies	\$ 49,000	\$ 50,500		
56005	Process Chemicals	\$ 560,000	\$ 560,000		
56006	Repair and Maintenance Supplies - IT		\$ 50,000		
56007	Repair and Maintenance Supplies - Shop	\$ 440,000	\$ 400,000		
56008	Vehicle and Equipment Fuels	\$ 32,000	\$ 34,000		
56010	Janitorial Supplies	\$ 8,000	\$ 8,000		
56011	Uniforms	\$ 22,500	\$ 22,500		
56012	Dues and Subscriptions	\$ 33,000	\$ 36,700		
56015	Small Equipment Purchases	\$ 8,500	\$ 8,500		
57000	Equipment Replacement	\$ 2,440,000	\$ 2,105,100	\$ (334,900)	
58000	Nutrient Credit Purchases	\$ 1,020,000	\$ 860,000	\$ (160,000)	
59000	Additonal FY18 O&M Reserve		\$ 476,300	\$ 476,300	
	Total(Operations & Maintenance)	\$ 8,529,900	\$ 8,584,300	\$54,400	
	Reserve policy (50% O&M)	\$ 676,801	\$ 685,868	\$9,067	3rd of 5 year collection of 50% O&M.
	ERRF (5% of Operations & Maintenance)	\$ 426,495	\$ 429,215	\$2,720	Service Agreement Requires 5% until \$2.5m is reached
	Debt Service	\$ -	\$ -	\$0	
	Total	\$ 9,633,196	\$ 9,699,383	\$66,187	

**South Central Wastewater Authority
Replacement Fund Budget - 57000**

Acct#	Proposed FY ITEM	Budget 16/17	Proposed Budget 17/18	FY17/18 INFORMATIONAL & PLANNING				Beyond	
				18/19	19/20	20/21	21/22	FY	Estimate
57010 - Machinery & Equipment	Emergency / Miscellaneous Repairs	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000		
	Major Component Replament Parts		\$ 185,000						
	Generator Control Panel Upgrade		\$ 30,000						
	Convert Caustic Feed lines with stainless steel		\$ 50,000						
	Replace RAS and Headworks Moyno Seals		\$ 25,000						
57020 - Instrumentation	Misc. Instrumentation Equipment/Supplies	\$ 35,000	\$ 35,000						
	Misc. Process Instrumentation		\$ 8,500						
57030 - SCADA	Misc. SCADA/Communication Equipment	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000		
	Replacement of 3 non-supported 90-30 PLC with new RX3i PLC		\$ 21,000						
57040 - Computer Hardware & Software	Replacement Computers/Servers	\$ 10,000	\$ 6,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000		
	2 new servers + SANS storage		\$ 14,600						
	License renewal and software	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000		
57050 - Motor Vehicles	Maintenance F-150		\$ 40,000						
	Trailblazer		\$ 35,000						
	Case Loader (Big Loader)			\$ 160,000					
	Operations Dodge Pickup				\$ 35,000				
	Operations Colorado					\$ 35,000			
57060 - Construction	Headworks Rehab	\$ 1,200,000							
	Grit Classifier (2)	\$ 650,000							
	Spare Diffusers	\$ 15,000							
	Clarifier Launder Covers	\$ 100,000							
	General Concrete Repair	\$ 50,000	\$ 50,000						
	8" waterline from gate to solids bldg	\$ 300,000							
	Scum Concentrator (2)		\$ 500,000						
	Roof Replacement - PB 5, Sodium Bi, Blower, Vehicle Storage, and Sodium Hypo						\$ 250,000		
	Roof Repairs		\$ 15,000						
	Plastic Chain in Primary Tanks		\$ 39,000						
	Lime conveyor screws (10)		\$ 17,000						
	Live Bottom Bin 1 Overhaul		\$ 25,000						
	Warehouse with office		\$ 800,000						
	Biosolids Technical Study				\$ 200,000				
	Perimeter Fence					\$ 100,000			
	Elec. Actuators for CCT gate (6)		\$ 94,000						
	Electrical Eval work - Year 3						\$ 2,000,000		
Asphalt overlay from gate to Septage						\$ 100,000			
RAS Pumps							FY22/23	\$ 1,000,000	
57070 - Special Studies	Local Limit Study		\$ 35,000						
TOTALS:		\$ 2,440,000	\$ 2,105,100	\$ 450,000	\$ 225,000	\$ 2,225,000	\$ 340,000		

NOTE: FY 17/18 TO BE APPROVED WITH BUDGET

South Central Wastewater Authority
Nutrient Credit Purchase - Acct # 58100
FY17/18

Acct# 58100	ITEM	Budget 16/17	Proposed Budget 17/18	INFORMATIONAL & PLANNING					
				18/19	19/20	20/21	21/22	22/23	23/24
	Private Purchase - Henrico County	\$ 452,920							
	Private Purchase - Chesterfield County	\$ 567,080	\$ 460,000	\$ 460,000	\$ 236,300				
	Contengency - Exchange Purchase if needed		\$ 400,000	\$ 400,000	\$ 263,700	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000
	Private or Exchange					\$ 390,000	\$ 390,000	\$ 390,000	\$ 390,000
	Totals	\$ 1,020,000	\$ 860,000	\$ 860,000	\$ 500,000	\$ 505,000	\$ 505,000	\$ 505,000	\$ 505,000

NOTE: FY 17/18 TO BE APPROVED WITH BUDGET

South Central Wastewater Authority
Capital Budget
FY17/18

ITEM	Budget 16/17	Proposed Budget 17/18	INFORMATIONAL & PLANNING					
			18/19 (3)	19/20 (3)	20/21	21/22	22/23	23/24
Nutrient Upgrade			\$ 5,000,000	\$ 25,000,000	\$ 50,000,000			
Replace Hypochlorite with UV							\$ 7,500,000	
Totals	\$ -	\$ -	\$ 5,000,000	\$ 25,000,000	\$ 50,000,000	\$ -	\$ 7,500,000	\$ -

NOTE:

- 1) The above items for information only. Approval required from Board of Directors at time of project award.
- 2) Bond Funding will be required for these Proposed Capital Project.
- 3) Project cost defined by regulator requirements.

SOUTH CENTRAL WASTEWATER AUTHORITY

FY 2017/2018 Proposed Budget

Proposed Monthly Billing

Operations and Maintenance, Equipment Repair and Replacement Funds and Debt Service billing per July 2, 1996 Service Agreement

Operation and Maintenance, Section 10, Para. 2

Budget: \$7,084,300.00

Community	Petersburg	Colonial Heights	Chesterfield	Prince George	Dinwiddie
% O&M (1)	55.422%	20.961%	8.945%	6.590%	8.081%
O&M	\$ 3,926,287.14	\$ 1,484,969.09	\$ 633,714.37	\$ 466,854.69	\$ 572,474.70

Equipment Repair and Replacement Fund, Section 11, Para. E, 5% of O&M

Budget: \$ 429,215.00

%ERRF(2)	52.5%	20.0%	10.0%	7.5%	10.0%
ERRF	\$ 225,337.88	\$ 85,843.00	\$ 42,921.50	\$ 32,191.13	\$ 42,921.50

Debt Service, Section 11, Para. A.2

Budget: \$ -

% Participation	0.00%	0.00%	0.00%	0.00%	0.00%
P&I Owed	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred	\$ -	\$ -	\$ -	\$ -	\$ -
Total P&I	\$ -	\$ -	\$ -	\$ -	\$ -

Reserve Policy (includes rate stabilization / reserve funding)

Budget: \$685,867.71

% Participation (3)	52.5%	20.0%	10.0%	7.5%	10.0%
Reserve Policy	\$ 360,080.55	\$ 137,173.54	\$ 68,586.77	\$ 51,440.08	\$ 68,586.77

Annual Total	\$ 4,511,705.57	\$ 1,707,985.63	\$ 745,222.65	\$ 550,485.89	\$ 683,982.97
O&M Due Monthly	\$ 327,190.60	\$ 123,747.42	\$ 52,809.53	\$ 38,904.56	\$ 47,706.23
ERRF Due Monthly	\$ 18,778.16	\$ 7,153.58	\$ 3,576.79	\$ 2,682.59	\$ 3,576.79
Reserve policy Due Monthly	\$30,006.71	\$11,431.13	\$5,715.56	\$4,286.67	\$5,715.56
P&I Due Monthly	\$ -	\$ -	\$ -	\$ -	\$ -
Total Due Monthly	\$ 375,975.46	\$ 142,332.14	\$ 62,101.89	\$ 45,873.82	\$ 56,998.58

Notes:

(1) Participation percentage based on flow data for period from FY12 to FY16

(2) Participation percentage based upon Section 6 of the Service Agreement

(3) A Reserve Policy of 50% O&M was adopted with the FY15/16 Budget to be funded initially over a 5 year term. Participation is based on Plant Allocation

SOUTH CENTRAL WASTEWATER AUTHORITY

FY 2017/2018 Proposed Budget

Proposed Revenues

<u>Proposed Revenues</u>	<u>Petersburg</u>	<u>Colonial Heights</u>	<u>Chesterfield</u>	<u>Prince George</u>	<u>Dinwiddie</u>	<u>Total</u>
Estimated Share of Plant Flow	55.422%	20.961%	8.945%	6.590%	8.081%	100.000%
Estimated Share of Operations & Maintenance	\$ 3,926,287.14	\$ 1,484,969.09	\$ 633,714.37	\$ 466,854.69	\$ 572,474.70	\$ 7,084,300.00
Share of Plant Capacity (%)	52.50%	20.00%	10.00%	7.50%	10.00%	100.00%
Share of Equipment Replacement Reserve Fund	\$ 225,337.88	\$ 85,843.00	\$ 42,921.50	\$ 32,191.13	\$ 42,921.50	\$ 429,215.00
Reserve Policy - Rate Stabilization/ Reserve Fund (50% O&M)	\$ 360,080.55	\$ 137,173.54	\$ 68,586.77	\$ 51,440.08	\$ 68,586.77	\$ 685,867.71
Share of Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Monthly Amount	\$ 375,975.46	\$ 142,332.14	\$ 62,101.89	\$ 45,873.82	\$ 56,998.58	\$ 683,281.89
Annual Total	\$ 4,511,705.57	\$ 1,707,985.63	\$ 745,222.65	\$ 550,485.89	\$ 683,982.97	\$ 8,199,382.71
Electrical Credit						\$ -
Funds Carried over from Previous FY						\$ -
Miscellaneous Revenue - Includes Septage at \$115,000 and leachate at 12 trucks/day @ \$0.070/gal						\$ 1,500,000.00
Total Budget						\$ 9,699,382.71

Budget Comparison

	FY17/18 Proposed Budget	FY16/17 Budget	FY17/18 - FY16/17	
Locality	Revenue	Revenue	Difference	
City of Petersburg	\$ 4,511,706	\$ 4,513,609	\$ (1,904)	-0.04%
City of Colonial Heights	\$ 1,707,986	\$ 1,708,689	\$ (703)	-0.04%
Chesterfield County	\$ 745,223	\$ 745,350	\$ (127)	-0.02%
Prince George County	\$ 550,486	\$ 550,564	\$ (78)	-0.01%
Dinwiddie County	\$ 683,983	\$ 683,984	\$ (1)	0.00%
Sub-totals	\$ 8,199,383	\$ 8,202,196	\$ (2,813)	
Deferred Debt (Petersburg)	\$ -	\$ -	\$ -	
Deferred Debt (Colonial Heights)	\$ -	\$ -	\$ -	
Deferred Debt (Prince George)	\$ -	\$ -	\$ -	
Electrical Credit	\$ -	\$ 20,000.00	\$ (20,000.00)	
Funds Carried over From Previous FY	\$ -	\$ 996,000.00	\$ (996,000.00)	
Miscellaneous Revenue	\$ 1,500,000.00	\$ 415,000.00	\$ 1,085,000.00	
Total Budget	\$ 9,699,382.71	\$ 9,633,196.05	\$ 66,186.67	

50% Reserve Policy:

Reserve Fund Calculation (Year 3 of 5)

	Total expected reserves on June 30, 2017	Recommended 50% O&M Reserves	Charges required to achieve 50% reserves	Annual Charge spread over 3 years (adjusted annually)
SCWWA O&M Budget	\$8,584,300	\$2,234,546.86	\$4,292,150.00	\$2,057,603.14
				\$685,867.71

6. Items from Counsel

7. Closed Session

8. Other Items from Board Members/Staff Not on Agenda: July 3rd- Request for 8 hours additional holiday time for all employees

Following is a memorandum concerning a request for an additional Employee Holiday for Monday, July 3, 2017.

MEMORANDUM

TO: APPOMATTOX RIVER WATER AUTHORITY & SOUTH CENTRAL WASTEWATER AUTHORITY, BOARD OF DIRECTORS

**FROM: ROBERT C. WICHSER, EXECUTIVE DIRECTOR
JAMES G. GORDON, ASSISTANT EXECUTIVE DIRECTOR**

SUBJECT: REQUESTED ADDITIONAL EMPLOYEE HOLIDAY TIME ON JULY 3, 2017

DATE: MAY 18, 2017

The ARWA/SCWWA Authorities provide an employee holiday on Tuesday, July 4th. Monday, July 3rd, is not a recognized employee holiday.

The Authorities have received information regarding the Commonwealth of Virginia July 4th holiday schedule and Authority members July 4th holiday schedule as follows:

Dinwiddie County Water Authority: July 3rd & July 4th: Employee Holiday

Dinwiddie County: July 3rd & July 4th: Employee Holiday

Prince George County: July 3rd & July 4th: Employee Holiday

Commonwealth of Virginia: Monday July 3-Additional 8 hours holiday time granted; July 4th Employee Holiday

BOARD ACTION REQUESTED:

It is respectfully requested that the Board of Directors grant an additional ARWA/SCWWA employee additional 8 hours holiday time on Monday, July 3rd, 2017.

9. Adjourn