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South Central Wastewater Authority Board of Directors Meeting

DATE: March 15, 2018
TIME: 2:00 PM
LOCATION: South Central Wastewater Authority
Board Room, Administration Building
900 Magazine Road
Petersburg, Virginia 23803

AGENDA

1. Call to Order/Roll Call
2. Approval of Minutes: Minutes of the Regular Meeting of the Board on January 25, 2018
3. Public Comment and Public Hearing on Proposed FY 2018/2019 Budget
4. Executive Director's Report
 - Status Report: Ongoing Projects/Operational/Financial/I&I
5. Items from Counsel
6. Closed Session
7. Other Items from Board Members/Staff Not on Agenda: Special Meeting on April 26
8. Adjourn

Cc: W. Dupler/George Hayes, Chesterfield
J. Byerly, 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 Board Meeting on January 25, 2018

Following are the minutes of the Minutes of the Regular Board Meeting on January 25, 2018.

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

BOARD OF DIRECTORS MEETING

South Central Wastewater Authority

January 25, 2018 at 2:00 p.m.

Location: Appomattox River Water Authority
21300 Chesdin Road, South Chesterfield, Virginia 23803

PRESENT:

Percy Ashcraft, Chairman (Prince George)
Douglas Smith, Vice Chairman (Colonial Heights)
Joseph Casey, (Chesterfield)
Robert B. Wilson, (Dinwiddie)
Jerry Byerly, (Alternate, Petersburg)
George Hayes, Secretary/Treasurer (Alternate, Chesterfield)
Dickie Thompson, (Alternate, Prince George)

ABSENT:

Kevin Massengill, (Alternate, Dinwiddie)
Aretha Ferrell-Benavides, (Petersburg)
William Henley, (Alternate, Colonial Heights)
William Dupler, (Alternate, Chesterfield)

STAFF:

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

OTHERS:

Herb White, (WW Associates)
Chris Tabor, (Hazen & Sawyer)
Dennis Morris, (Crater PDC)
Steve Nebiker, (HydroLogics)

Mr. Ashcraft, Chairman, called the meeting to order at 2:01 p.m.

1. Call to Order/Roll Call.

The roll was called.

2. Approval of Minutes: Minutes of the Work Session on October 19, 2017 and the Regular Board Meeting on November 16, 2017:

Upon a motion made by Dr. Casey and seconded by Mr. Byerly the following resolution was adopted:

RESOLVED, that the minutes of the Work Session on October 19, 2017 with correction and the Regular Meeting of the Board on November 16, 2017 are hereby approved:

For: 5 Against: 0 Abstain: 0

3. Public Comment

There were no public comments.

4. Executive Director's Report

• Approval of Contractor Prequalification Process

Dr. Wichser reported on the contractor Prequalification Process for both Authorities, which was developed on the recommendation of our two Trust Engineers, Hazen & Sawyer and WW Associates. He stated the catalyst for this was the ARWA In-Plant Project. He further stated we worked with McGuire Woods to develop the ARWA/SCWWA Prequalification Process Policy based on the Code of Virginia. He stated this process would provide a reduction of risks to both Authorities during the construction process. Mr. Wilson asked if this was a process for the Authority to determine on a project basis on whether you want to use it or not and Dr. Wichser replied we would look at each project, and if it were a small project most likely there would be no prequalifying needed. He further stated if the construction phase of a project were over \$5 million, there most likely would be a prequalification step. Dr. Wichser also stated the Request for Contractor Qualifications has been developed and is ready to immediately advertise. He stated if the Prequalification Process Policy is approved by the Board, we would advertise in Sunday's paper. Then there would be a thirty day wait, the submitted contractor information would be reviewed with the development of a prequalified contractor list, who could then move forward and submit bids for the In-Plant Project construction. He further stated we are already out to bid for the pumps and motors for this project. Mr. Wilson asked if this was stipulated in the prequalification and Dr. Wichser stated yes, and also would be stated in the bid documents. Dr. Casey stated this is a fair topic but it's being presented to Board members in conjunction with the "In-Plant" project at the same time. He further stated he did not know what both Authorities history is with vendor issues and problems but he's never dealt with prequalification for vendor and utility projects. He stated he views this as a fair discussion point but not collapsed in topic looking for approval of the project at the same time. Mr. Ashcraft asked Dr. Wichser why he thought it was valuable. Dr. Wichser replied contractor

prequalification worked as a means to provide the best qualified contractor for the project. Dr. Casey stated to have the Board make a decision on a process in conjunction almost with the bid process; he doesn't think it's fair to the Board. Dr. Wichser stated this was recommended late in the design process by our project engineers. He further stated that neither of the Authorities had an approved policy on this matter, so we had to develop one over the holiday season. He stated it was done quickly and efficiently to enable Board approval without any complications. Dr. Wichser stated that it's the option of the Board whether to approve it or not.

Dr. Wichser asked Herb White of WW Associates, the project engineer, to speak on the pros and cons of the Prequalification Process. Mr. White stated for a routine project you don't have to go through this process, but for larger projects, such as this one, it's more complex. He stated that the normal process would be to just bid it out and a general contractor would select his own electrical sub for \$5 million worth of work and you really don't have control over that. He further stated for low bidder, if they can be bonded, you are stuck with it. He stated it helps to get a set of contractors who you can look at their capabilities and understand them before you decide to engage contracts with them, which he feels is the benefit of it. He further stated, they recommend this as the "In-Plant" Project Engineer and it was in their proposal when the project was first started. He stated it's a 30-day process to go through the qualifications and then go straight to bids. Mr. Ashcraft asked, legally can you stop anyone from bidding, and Mr. White replied yes, and that this process is sanctioned by the Code of Virginia. Mr. White stated that there is a State Statute that allows this, which is a two-step process. He further stated that the first step is qualifications and step two is asking for bids from the people on that list that are prequalified. Mr. White stated that we follow the inscription in the State Code and any comments are addressed. Mr. Wilson stated that Dinwiddie has done this in the past and the two things they look for are your risk and your exposure. He further stated you determine up front what contractors have the capabilities as well as the resiliency so, if they do make a mistake they have the capability to make things right in a quick manner. Dr. Wichser stated the Authority looked at the State Code; McGuire Woods then reviewed our needs and developed the policy according to compliance with the State Code. We recommend the Board approve the ARWA/SCWWA Prequalification Process Policy. Dr. Casey asked Mr. White who he used as a template and Mr. White replied the City of Richmond. Dr. Casey asked Mr. White how many times he had done this himself and Mr. White stated he had worked for the Federal Government on large complex projects using the prequalification process. Dr. Casey asked Mr. Hayes if Chesterfield had ever done this and Mr. Hayes replied no. Dr. Casey stated he was bothered by the timing of pushing these things together.

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

RESOLVED, that the Board approves adoption of the contractor ARWA/SCWWA Prequalification Process Policy, and that the Executive Director be authorized to implement this process in the best interest of either Authority:

For: 4 Against: 1 (Casey) Abstain: 0

- **Status Report: 6 Month Work Plan Update/Ongoing Projects/Financials/Inflow and Infiltration**

Mr. Gordon reported on the Status Report.

Mr. Ashcraft commented on the Six Month Work Plan. Dr. Casey stated he thought the Work Plan was a good tool; however, there was not one thing on here about the Board discerning the topic of prequalification. He further stated if there were any votes to be taken, the item should be listed on the Work Plan.

- **Discussion on Status of Landfill Leachate**

Dr. Wichser reported on the status of landfill leachate. He stated that we were receiving approximately fourteen to eighteen trucks of leachate per day, which averaged out to about \$125,000 to \$160,000 per month in revenue. He further stated this revenue was written into the ongoing budget for 2017-18, and that receiving leachate represented about \$1.4 million in revenue income. He stated the proposed 2018/2019 budget being presented today has no landfill leachate revenue stream contributed. He further stated on December 1, 2017 leachate trucks stopped coming in to SCWWA and we are presently down to one truck per day. He stated the revenue has now dropped down to approximately \$10,500 to \$12,500 monthly. Dr. Wichser stated the stoppage of leachate would impact our on-going 2017-18 operational budget causing an approximately \$600,000 revenue deficit. He further stated that our recommendation is that we go back into the proposed Capital Reserve Account and be approved to tap the \$1.9 million in the newly established Capital Reserve Account by May 2018 taking \$600,000 out of that account to offset the loss of landfill leachate revenue. Dr. Wichser stated once we realized in December the potential impact on the on-going budget, we worked with McGuire Woods and drew up a Resolution for establishment of the Capital Reserve Account for the Board authorizing the establishment of a Capital Reserve Fund and also authorizing expenditure from that Fund in an amount up to \$600,000 to balance our fiscal year 2017-18 budget. He further stated again that in the upcoming budget year of 2018-19 there is no leachate revenue income. Dr. Wichser stated this resolution would take effect immediately if approved by the Board today. Mr. Ashcraft asked Dr. Wichser if we established an account last year and Dr. Wichser replied the Board in November 2017 approved transfer of \$1.9 million in leachate revenue and also authorized Mr. Anderson to develop a Capital Reserve Account policy to enable use that account. Mr. Gordon stated in November 2017 the Board approved the Authority to retain the

leachate funds instead of returning the money in the “True Up” and we currently have the leachate funds set aside for the Capital Reserve Account. Dr. Wichser stated this resolution would officially establish the Capital Reserve Account and the remaining leachate revenue would sit in the Capital Reserve Account. Mr. Mullen stated in the Resolution it states that Staff could use that Capital Reserve Account specifically to meet the \$600,000 shortfall. Dr. Casey stated it’s good we are not dependent upon this revenue for our normal base operations. Mr. Ashcraft stated to utilize anymore of this would have to come back to the Board and was told yes. Mr. Smith stated in looking at the language, it wouldn’t be used for operating expenses in future years, but if we had a scenario like the one we have now, the Board could by subsequent resolution provide a one-time authorization and Mr. Mullen answered yes.

Upon a motion made by Mr. Smith and seconded by Dr. Casey the following resolution was adopted:

RESOLVED, that the Board approves adoption of the Resolution as presented:

For: 5 Against: 0 Abstain: 0

- **Presentation of Proposed FY 2018/19 Operating Budget**

Dr. Wichser presented the proposed FY 2018/19 Operating Budget. He stated for the miscellaneous revenue for this budget there would be no contributions from landfill leachate. He further stated we are requesting a performance-based salary increase up to three percent. Dr. Casey stated that in their five-year plan for Chesterfield County and the Schools proposed Budget will be a two percent merit raise. He further stated he does not give merits which are greater than the Counties are giving for those Authorities for which we are partner or in this case a 70% funder of. Mr. Ashcraft asked if we corrected some things with the Hazen Study and Dr. Wichser replied yes, we looked at compression impacts and regional salary levels versus ours. Mr. Ashcraft asked what the average raise was last year and Dr. Wichser replied approximately 2.2%. Dr. Casey asked if the Budget was 3% and was told yes. Dr. Wichser stated the proposed salary increase is performance based where employees have to meet certain performance guidelines. Dr. Casey stated everything Dr. Wichser just said doesn’t come out written; it just looks like everyone gets 3%. Mr. Ashcraft stated he would like members to evaluate what they are doing locally and this is a proposed item for us to consider. Dr. Wichser stated that on page 33 of 44 of the Board package, half way down the page it clearly states the average employee will receive a 2% salary increase with only the highest scoring employees eligible for a higher increase up to 3% maximum. He further stated non-performing employees will receive less than 2% and potentially being placed into a required performance improvement probation period. Dr. Wichser stated the entire cost to the Authority for the proposed salary raise would be \$65,000 at 3%.

Upon a motion made by Dr. Casey and seconded by Mr. Byerly the following resolution was adopted:

RESOLVED, that the Board authorize the Executive Director to advertise the budget:

For: 5 Against: 0 Abstain: 0

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

- **Discussion on Potential Leachate Revenue Stream**

Dr. Wichser stated the leachate revenue coming in over the last few years was significant and helped us as we went through difficult economic times. He further stated as Waste Management’s cessation of landfill leachate occurred, we felt it was prudent to put our feelers out and try to find what other leachate sources might be out there to bring to SCWWA for treatment and a potential revenue stream. He stated we had been approached by a business owner who is a truck tanker hauler in Prince George County, Mr. Jeff Oakley. He further stated Mr. Oakley alluded to the fact that he was interested potentially in acting as a leachate broker. Dr. Wichser stated that the Board, back in 2014-2015, approved SCWWA to accept leachate receipt into SCWWA within a fifteen-mile radius around the plant. Dr. Wichser stated the main goal of our SCWWA treatment is one-hundred percent compliance with the Virginia DEQ’s discharge permit. He stated Mr. Oakley believes there are other leachate sources on the East Coast that could be trucked to SCWWA from other states, such as Pennsylvania, North Carolina or South Carolina. He further stated the question from Mr. Oakley is would SCWWA be interested to entertain that. Dr. Wichser stated that the SCWWA Board would have to consider if they wanted to open the fifteen-mile radius up to a six-hundred-mile radius or more to receive additional leachate. He stated the potential receipt of any outside liquid stream would be screened physically, chemically and biologically to ensure we could treat it with minimal impact on the discharge permit. He further stated it would require confirmation that there would be no impact on the efficiency of the treatment process in compliance with the discharge permit. Dr. Wichser stated we presently have no other options in this area of additional leachate to take in. He further stated that this option would require the negotiation of a legal agreement of some sort with the transporter, along with a pretreatment permit we’d have to issue to the generator of the liquid stream.

Mr. Ashcraft asked if the Board wanted staff to do some more due diligence and come back later with a more detailed explanation. Mr. Wilson asked why would haulers pass a lot of plants within six hundred miles to come here and what

makes our plant different. Dr. Wichser answered that most of those plants are probably close to design flow capacity, a lot of facilities are operating advanced treatment BNR that would be impeded by this leachate and SCWWA is a conventional plant. Mr. Mullen stated that a lot of their clients that you have to drive past from Pennsylvania to get here, either they are at or close to capacity. He further stated that many of those that are large are not suitable for the additional truck traffic. He stated that SCWWA is big enough to be meaningful. He further stated that assuming you could do it operationally without detriment to your existing treatment flow there is nothing that could make it illegal or controversial. Dr. Casey stated that risk was a term used before and we prequalified to mitigate risk. He further stated this plant is a moniker of the old school treatment facility and it is an at-risk facility that is one consent order away from a \$100 million project. He stated that's how citizens think; that this is a risk facility that is now getting more involved in a more at-risk process. He further stated this topic is nothing but chasing revenue that is risky and volatile revenue. Dr. Wichser stated that the leachate coming in would be completely screened chemically, biologically and physically to ensure there would be zero impact on the VPDES Permit. Mr. Wilson asked Dr. Wichser about that in the proposed budget debt service is zero, and zero leachate in your FY18 budget and the maximum percent it went up for Prince George was only 3.6 percent. Mr. Gordon stated that for projects we could use the leachate money towards a future project. Mr. Wilson asked what is the risk of exposure versus the reward. Dr. Wichser stated we are at the conceptual talking stage only. He further stated if the revenue stream had continued as in 2017, we were planning to use that money for the upgrade of the Solids Building. He stated we have equipment that is over thirty years old that needs to be replaced, which will be an estimated six million-dollar project. He further stated that we would be talking about the solids building next year as a proposed capital project. Mr. Wilson asked if this was before the nutrient project and Dr. Wichser answered that is correct. Mr. Gordon stated we had a list of ten things that should be done before the next nutrient upgrade and this is the last item on that list. Dr. Casey stated speaking of the project he thinks is in your capital plan its \$53 million over three years and is that the nutrient upgrade project and Dr. Wichser replied yes. Dr. Casey stated one thing for discussion sometime is what you think is needed and the time frame that's needed and what will rates be as you issue that debt and Dr. Wichser replied that is why we are proposing a rate study. Dr. Casey asked if the Consultant was here to determine the price that is needed in the CIP or to determine how you calculate the cost and how you charge it back out. Dr. Wichser responded that SCWWA brought experts in on the Nutrient Removal Project in 2015 and they rehashed through various levels of nutrient removal costs. He stated what we propose to do with the rate analysis study is to link together the costs of the project with the supporting rates.

Mr. Ashcraft asked if the CIP was in the existing board package and Dr. Wichser stated these numbers as shown in the proposed budget are CIP estimated projects for 2021, 2022, 2023 and 2024. Mr. Wilson asked if they were given debt service numbers at one time and was told yes. Mr. Wilson stated he looks at the ten to fifteen-year planning window that they do to keep things uniform and Mr. Gordon stated that the engineers and utility directors were provided a five-year rate estimate. He further stated about a year ago we sent everybody what their projected debt service would be per year for the nutrient upgrade.

Mr. Ashcraft referred to page 37 of the proposed budget in the Board package stating that you have in color the proposed and Dr. Wichser stated that was the proposed FY2018/2019 budget. Mr. Ashcraft stated everything else out from that is not being recommended as it's the planning level and Dr. Wichser replied correct. Mr. Ashcraft asked if everything else at the bottom of the page is what you consider your long-range CIP and Dr. Wichser answered correct, for this plant. Mr. Ashcraft asked if there was anything else further out and Dr. Wichser replied that this was it. Mr. Ashcraft asked what the \$500,000 was going to buy in next year's Budget and Dr. Wichser replied that amount of money was for starting the initial design and the Preliminary Engineering Report on the Solids Building upgrade. He stated we want to go ahead and prepare a document together for the Board to help for a better understanding of the project. He further stated before we go into detailed full design, we want to make sure everyone is on board, if we have to bond six million dollars. Mr. Gordon stated that the footnote on this project in the table shows that \$500,000 will be taken out of the capital reserve fund and it does not impact the proposed budget.

Mr. Ashcraft asked do we want staff to do more research on the leachate with what appears to be a private proposal and report back at a future meeting. Dr. Wichser stated the best thing for us to do is request that Mr. Oakley present his ideas in front of the Board so you can entertain his proposal. Dr. Casey stated he thought we should focus on the priorities before us right now. Mr. Smith stated with the current large orders of leachate that we are getting, have there been any odor issues. Dr. Wichser stated there were no odor issues but it did increase our nutrient load on the plant treatment process, which increased our nutrient purchases, however, the amount of revenue we took in more than offset the additional nutrient credit purchase. He further stated that from time to time we did have some citizens who were upset about the number of tanker trucks coming onto Pocahontas Island and we worked with them to make sure things were moderated and managed. He stated that from time to time the truckers would come in all at once in the morning, so SCWWA Operations responded to rebalance the tanker trucks arriving, but at no time was the discharge permit impacted. Dr. Wichser stated that Waste Management approached us on treating a more concentrated leachate stream, and we are presently investigating the chemical make-up of that liquid. Mr. Wilson stated that as he understands it that staff will be gathering additional information, explain any expectations with a future update and have Mr. Oakley make a presentation.

Upon a motion made by Mr. Byerly and seconded by Mr. Smith the following resolution was adopted:

RESOLVED, that the Board authorizes Staff to obtain additional information on the leachate proposal being introduced as well as any other alternative proposal:

For: 5 Against: 0 Abstain: 0

5. Items from Counsel

There were no Items from Counsel.

6. Closed Session

Mr. Mullen read the Resolution to go into Closed Session (attached).

Upon a motion made by Mr. Wilson and seconded by Mr. Smith the Board went into Closed Session at 3:20 p.m.

For: 5 Against: 0 Abstain: 0

Upon a motion made by Mr. Wilson and seconded by Mr. Byerly the Board came out of Closed Session at 3:43 p.m.

For: 5 Against: 0 Abstain: 0

Mr. Mullen read the Certification regarding the Closed Session and, upon a motion made by Dr. Casey and seconded by Mr. Byerly, it was approved by a unanimous roll call vote (attached).

8. Adjourn

Upon a motion made by Mr. Byerly and seconded by Dr. Casey the meeting was adjourned at 3:44 p.m.

The next regularly scheduled Board meeting is Thursday, March 15, 2018 at 2:00 p.m. at the South Central Wastewater Authority.

MINUTES APPROVED BY:

George Hayes
Secretary/Treasurer

CLOSED MEETING RESOLUTION

SOUTH CENTRAL WASTEWATER AUTHORITY

(January 25, 2018)

I move that we go into a closed meeting for consultation with legal counsel retained by the South Central Wastewater Authority and the Appomattox Regional Water Authority and briefing by staff members regarding specific legal matters pertaining to actual or probable litigation, where such consultation and briefing in open meeting would adversely affect the Authority's negotiating posture, and consultation with legal counsel retained by the Authority regarding specific legal matters requiring the provision of legal advice by such counsel as permitted by Section 2.2-3711A.7. of the Virginia Freedom of Information Act:

MOTION: Wilson

SECOND: Smith

VOTE

Aye Casey
Aye Byerly
Aye Smith
Aye Wilson
Aye Ashcraft

ABSENT DURING VOTE: (__0__)

ABSENT DURING CLOSED MEETING: (__0__)

SESSION DATE: January 25, 2017

CERTIFICATION OF CLOSED MEETING

WHEREAS, the Board of the South Central Wastewater Authority (the "Authority") convened a closed meeting on (DATE HERE), pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3712 of the Code of Virginia requires a certification by this Board that such closed meeting was conducted in conformity with Virginia law;

NOW THEREFORE, BE IT RESOLVED that the Board of the Authority hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by the Virginia Freedom of Information Act were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Board.

MOTION: Casey

SECOND: Byerly

VOTE

Aye Casey
Aye Byerly
Aye Smith
Aye Wilson
Aye Ashcraft

ABSENT DURING VOTE: (__0__)

ABSENT DURING CLOSED MEETING: (__0__)

3. Public Comment and Public Hearing on Proposed FY 2018/2019 Budget

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

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

Following are status reports concerning the Ongoing Projects, Operations, Financials, and I&I for 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: MARCH 15, 2018

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

Wastewater Treatment Plant Improvements, Phase 2

- This project includes 2 new grit classifier assemblies, 2 new scum concentrators, and repairs to the grout in Final Clarifiers No.'s 1 and 2.
- Second floor rollup door has been installed in the headworks building.
- We are currently awaiting equipment delivery in the March/April timeframe.
- In April, work on the Clarifier bottoms and equipment installation should begin.

Warehouse Project

- Warehouse project is currently out for bid.
- The scheduled bid opening is April 11, 2018.
- We are currently awaiting City of Petersburg site approval.
- Recommendation of award for this project will be presented to the Board for approval on April 26, 2018 (Special Meeting).

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: MARCH 15, 2018

Operating Status Report:

General:

- The next scheduled Board of Directors meeting is May 17, 2018 at the Appomattox River Water Authority at 2:00 pm.
- Current the Authority is only receiving 1 load of Leachate per day.
- Staff continues to investigate other potential Leachate sources.
- The FY 2018/19 Proposed Budget was advertised in the Progress Index on February 18th and has been posted to the ARWA and SCWWA websites.

Status of Nutrient Waste-load

- Total Phosphorus (TP)
 - Waste-load allocation Total Phosphorus: 28,404 lbs. on a calendar basis.
 - Proportional waste-load through February 2018 = 4,734 lbs. Total actual waste-load through February 2018 was 3,400 lbs. (At this time, the SCWWA is 1,334 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 2018 = 58,373 lbs. Total actual waste-load through February 2018 was 71,512 lbs. (At this time, the SCWWA is 13,139 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 167,685 credits for 2018.

Operations:

- Plant effluent met all discharge permit requirements for the months of January and February. Copies of the discharge monitoring reports (DMR's) for the VPDES permit and the general permit are available.
- Synagro recently hauled away the solids from the pad at the request of staff.
- VA-DOLI was recently onsite and performed a Health and Safety inspection. The Safety inspection is complete and only minor corrections were required. On March 12th, the Health Compliance Officer will be back onsite to complete the employee interviews and inspection.
- Temporary caustic feed tanks have been place at the primary tanks to allow staff to maintain necessary feed during the caustic feed line upgrade.

Maintenance:

- Staff has manufactured and tested safety screens for the skylights at the ARWA to meet the OSHA safety requirements. They are now measuring and preparing to manufacture the SCWWA screens.
- Arc Flash labeling and trip settings have been completed for the Phase 2 electrical upgrade.
- Cost comparison for Phase 2 scum management options is ongoing.

- Live Bottom Bin repair is scheduled for this month.
- Investigating options for a replacement GBT power pack pump.

Instrumentation

- The Sodium Bisulfite feed system is being upgraded with a larger vfd drive and new controls are being installed.
- Secure WiFi has been expanded.
- New Server Virtualization is complete. Staff will be working with our system integrators to migrate the historian server.
- Staff has received supplies to build 3 new PLCs to replace the current outdated and unsupported PLCs.

Laboratory

- The 2017 Industrial Pretreatment Program annual report was completed and issued.
- Tracking status of the local limit study being performed by Hazen.
- Hauled Waste permits are being updated.

Financial Status Report:

Following is the Executive Summary of the Monthly Financial Statement that includes the YTD Budget Performance and the Financial Statement for February 2018.

South Central Wastewater Authority
YTD Income Statement for the period ending February 28, 2018

Wastewater Rate Center

Revenues and Expenses Summary

<i>Budget</i>	<i>Budget</i>	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
<i>FY 17/18</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	\$ 1,500,000	\$ 1,000,000	\$ 904,921	\$ (95,079)	-9.51%
O&M Revenue	\$ 7,084,300	\$ 4,722,867	\$ 4,722,867	\$ 0	0.00%
Reserve Policy	\$ 685,868	\$ 457,245	\$ 457,245	\$ (0)	0.00%
ER&RF Revenue	\$ 429,215	\$ 286,143	\$ 286,143	\$ (0)	0.00%
Total Operating Revenues	\$ 9,699,383	\$ 6,466,255	\$ 6,371,176	\$ (95,080)	-1.47%

Expenses

Personnel Cost	\$ 2,629,500	\$ 1,753,000	\$ 1,796,071	\$ 43,070	2.46%
Contractual/Professional Services	\$ 346,300	\$ 236,647	\$ 134,692	\$ (101,955)	-43.08%
Utilities	\$ 247,924	\$ 326,667	\$ 286,746	\$ (39,921)	-12.22%
Communication/Postage/Freight	\$ 20,000	\$ 18,667	\$ 18,401	\$ (266)	-1.42%
Office/Lab/Purification Supplies	\$ 73,500	\$ 50,067	\$ 38,672	\$ (11,395)	-22.76%
Insurance	\$ 65,000	\$ 65,000	\$ 61,190	\$ (3,810)	-5.86%
Lease/Rental Equipment	\$ 11,000	\$ 7,333	\$ 5,831	\$ (1,502)	-20.49%
Travel/Training/Dues	\$ 63,600	\$ 63,600	\$ 33,696	\$ (29,904)	-47.02%
Safety/Uniforms	\$ 41,500	\$ 27,667	\$ 23,865	\$ (3,801)	-13.74%
Chemicals/Sludge Disposal	\$ 910,000	\$ 606,667	\$ 454,140	\$ (152,526)	-25.14%
Repair/Maintenance Parts & Supplies	\$ 492,500	\$ 328,333	\$ 260,102	\$ (68,231)	-20.78%
Total Operating Expenses	\$ 4,900,824	\$ 3,483,648	\$ 3,113,407	\$ (370,241)	-10.63%
Operating Suplus/(Deficit)	\$ 4,798,559	\$ 2,982,608	\$ 3,257,769	\$ 275,161	9.23%

Replacement Outlay Budget vs. Actual

Machinery & Equipment	\$ 350,000	\$ 233,333	\$ 90,319	\$ (143,014)	-61.29%
Instrumentation	\$ 43,500	\$ 29,000	\$ 708	\$ (28,292)	-97.56%
SCADA	\$ 36,000	\$ 24,000	\$ 24,361	\$ 361	1.50%
Computer Equipment	\$ 25,600	\$ 17,067	\$ 16,199	\$ (868)	-5.09%
Motor Vehicles	\$ 75,000	\$ 50,000	\$ -	\$ (50,000)	-100.00%
Construction	\$ 1,540,000	\$ 1,026,667	\$ 540,288	\$ (486,379)	-47.37%
Special Studies	\$ 35,000	\$ 23,333	\$ 6,603	\$ (16,731)	-71.70%
Total Replacement Outlay	\$ 2,105,100	\$ 1,403,400	\$ 678,476	\$ (724,923)	-51.65%

Other Income/Expense Budget vs. Actual

Nutrient Credit Purchases (Expense)	\$ 860,000	\$ 573,333	\$ 576,458	\$ 143,333	25.00%
Nutrient Reduction	\$ -	\$ -	\$ 4,342	\$ -	#DIV/0!
Interest-Jurisdictions (Income)	\$ -	\$ -	\$ (220,864)	\$ (220,864)	#DIV/0!

South Central Wastewater Authority

For Month Ending February 28, 2018

Assets

Current Assets

Petty Cash	\$	250
Wells Fargo Operating Account	\$	2,468,785
<i>Total Unrestricted Cash</i>	<u>\$</u>	<u>2,469,035</u>

Wells Fargo Reserve	\$	3,657,785
Wells Fargo Capital Improvement Reserve	\$	1,989,616
ERRF	\$	2,743,992
<i>Total Restricted Cash</i>	<u>\$</u>	<u>8,391,393</u>

Total Checking/Savings \$ 10,860,428

Accounts Receivable	\$	380,963
Long Term Receivable (Petgs/Legal)	\$	-

Total Current Assets \$ 11,241,391

Fixed Assets

Sewer System Plant	\$	33,352,033
Equipment & Vehicles	\$	2,974,264
Plant Machinery	\$	7,408,956
Construction in Progress	\$	1,907,962
Land	\$	92,968
Accumulated Depreciation	\$	(27,480,849)
Total Fixed Assets	<u>\$</u>	<u>18,255,333</u>

Other Assets

Inventory	\$	656,081
Pension	\$	113,903

Total Other Assets \$ 769,985

Total Assets

\$ 30,266,709

Liabilities & Equity

Current Liabilities

Accounts Payable	\$	48,395
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Total Current Liabilities \$ 48,395

Other Current Liabilities

Payroll Accruals	\$	216,180
Retainage Payable	\$	-
Suspense-Clearing Account	\$	573,333
Refunds Due Member Localities	\$	-

Total Other Current Liabilities \$ 789,513

Long Term Liabilities

Net OPEB Obligation	\$	71,800
Def Inf Res-Net Dif Pension Inv	\$	100,446
Net Pension Liability	\$	495,295

Total Long-Term Liabilities \$ 667,541

Total Liabilities

\$ 1,505,450

Equity

Retained Earnings	\$	12,808,125
Initial Locality Contribution Cap.	\$	14,166,822

Net Income	\$	1,786,312
Total Equity	\$	<u>28,761,259</u>

Total Liabilities & Equity

\$ 30,266,709

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: MARCH 15, 2018

January and February 2018 were both fairly wet months. January brought more significant rain events but February brought more days of rain but less substantial rain events. The Authority recorded 15 of 28 days in February where there was rain but the most significant rain event was 0.57" on 2/10/2018. As you can see in the table below, due to the consistent February rain our flows ranged from 10.568 mgd to 16.815 mgd. In contrast, January had three days that produced almost as much precipitation as the fifteen days in February. The flows in January ranged from 8.659 mgd to 24.631 mgd.

Month	Rainfall (inches)	Average Flow (mgd)
February 2017	1.03	10.873
March 2017	4.90	11.681
April 2017	1.46	11.152
May 2017	6.88	12.444
June 2017	2.19	10.264
July 2017	4.38	9.741
August 2017	8.78	13.098
September 2017	1.27	11.028
October 2017	3.64	8.988
November 2017	1.52	9.464
December 2017	1.43	9.487
January 2018	3.69	11.842
February 2018	2.64	13.606

PRIMARY FLOW DATA

February	2018	2017	2016	2015	2014	2013	2012
Minimum (mgd)	10.568	9.798	14.561	10.142	12.318	11.952	10.22
Maximum (mgd)	16.815	12.545	33.093	17.677	24.431	22.443	15.734
Average (mgd)	13.606	10.873	20.289	12.858	15.361	14.341	12.585
Rainfall (inches)	2.64	1.03	5.31	2.59	3.11	2.89	3.42

5. Items from Counsel

6. Closed Session

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

- **Special Meeting on April 26**

8. Adjourn