



900 Magazine Rd.
Petersburg, VA 23803
Office: (804) 861-0111
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South Central Wastewater Authority

Board of Directors Meeting

DATE: March 12, 2020

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 Board Meeting held on January 16, 2020 (Exhibit A, pages 2 to 6)
3. Public Comment
4. Public Hearing for FY2020/21 Operating Budget (Exhibit B, pages 7 to 30)
5. Executive Director's Report
 - WQIF Update (Exhibit C, Page 31)
 - Financial Policy Guidelines (Exhibit D, pages 32 to 46)
 - Operating and Financial Report (Exhibit E, pages 47 to 51)
 - Status Report: Ongoing Projects (Exhibit F, pages 52)
 - Status Report: Flows (Exhibit G, page 53)
 - Status Report: Leachate Traffic (Exhibit H, pages 54 to 55)
6. Items from Counsel
 - Discussion of Proposed Bylaws Amendment (Exhibit I, pages 56 to 66)
7. Closed Session
8. Other Items from Board Members/Staff Not on Agenda
9. Adjourn

EXHIBIT A
BOARD OF DIRECTORS MEETING
South Central Wastewater Authority
January 16, 2020 at 2:00 p.m.
Location: Appomattox River Water Authority
21300 Chesdin Road, S. Chesterfield, VA 23803

MEMBERS PRESENT:

Doug Smith, Chairman (Colonial Heights)
Aretha Ferrell-Benavides, Vice-Chairman (Petersburg)
Joseph Casey, (Chesterfield)

ALTERNATES PRESENT:

George Hayes, Secretary/Treasurer (Alternate, Chesterfield)
Kevin Massengill, (Alternate, Dinwiddie)
Frank Haltom, (Alternate, Prince George)
Scott Morris, (Alternate, Chesterfield)
Lionel Lyons, (Alternate, Petersburg)

ABSENT:

Percy Ashcraft, (Prince George)
William Henley, (Alternate, Colonial Heights)

STAFF PRESENT:

Robert B. Wilson, Executive Director, (ARWA & SCWWA)
James C. Gordon, Asst. Executive Director (ARWA & SCWWA)
Arthur Anderson, (McGuire Woods)
Melissa Wilkins, Accounting/HR/Business Manager/FOIA
(ARWA & SCWWA)
Kathy Summerson, Administrative Assistant (SCWWA)

OTHERS PRESENT:

Chris Tabor, (Hazen and Sawyer)
Andrew Barnes, (Petersburg)
Mike Wooden, (Arcadis)
Jay Ruffa, (Crater Planning District)

Mr. Smith, Chairman, called the meeting to order at 2:00 p.m.

1. Call to Order/Roll Call

The roll was called.

Mr. Smith welcomed Mr. Wilson as the new Executive Director of the Authority.

2. Approval of Minutes: Minutes of the Regular Meeting of the Board on November 14, 2019

Upon a motion made by Dr. Casey and seconded by Ms. Ferrell-Benavides the following resolution was adopted:

RESOLVED, that the Minutes of the Regular Meeting of the Board on November 14, 2019 are hereby approved:

For: 5 Against: 0 Abstain: 0

3. Public Comment

There were no Public Comments.

4. Executive Director's Report

- **Presentation of Proposed FY 2020/21 Operating Budget**

Mr. Wilson stated Counsel requested the Board approve a Resolution for the preliminary budget, which gives staff the ability to advertise it. He further stated that if Board members needed himself or the Assistant Director to come to any Council meetings, Board of Supervisor meetings or meet with financial staff, we would be happy to do so prior to the Public Hearing. Mr. Gordon reported on the major increases and decreases for the proposed FY 2020/21 Operating Budget. Dr. Casey asked about the salary increases, and Mr. Gordon replied that a scale of 0% to 3% will be used with the average employee getting 2%. The estimated total salary increase is 2.6%. Dr. Casey asked about advertisement and Mr. Wilson replied that the proposed budget will be advertised on the website and in the Progress-Index. Mr. Smith asked what action the Board needed to take today. Mr. Wilson stated the Board needs to accept the preliminary budget and authorize staff to advertise the notice for the Public Hearing. The requested language is outlined in the Resolution provided in the Board Package.

Upon a motion made by Ms. Ferrell-Benavides and seconded by Mr. Massengill the following resolution was adopted:

RESOLVED, that the Board approves the Resolution of the South Central Wastewater Authority providing preliminary approval of the Budget for Fiscal Year 2021 and the related payment schedule:

For: 5 Against: 0 Abstain: 0

- **Status Report: Status Report: Ongoing Projects/Operations/Financials/Flow/Leachate**

Mr. Wilson stated letters had been sent to senators and delegates requesting support for the proposed budget amendment seeking financial assistance in the form of a grant for the nutrient project. Mr. Wilson advised Mr. Preston Bryant and Mr. Chris Pomeroy have and are currently meeting with the senators and delegates to seek this financial assistance. The formal budget amendment request will be presented at 4:00 p.m. today by Patrons Senator Morrissey, Senator Chase and Delegate Aird. He further stated the main concept being presented in the budget amendment is for the Secretary of Natural Resources and the Director of Environmental Quality to consider providing 90% of the project cost in the form of a grant from the WQIF fund.

Mr. Gordon reported on Ongoing Projects/Operations/Financials/Flow/Leachate.

5. Items from Counsel

There were no items from Counsel.

6. Closed Session

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

Upon a motion made by Mr. Haltom and seconded by Mr. Massengill the Board went into Closed Session at 2:26 p.m.

For: 5 Against: 0 Abstain: 0

Upon a motion made by Mr. Haltom and seconded by Mr. Lyons the Board came out of Closed Session at 2:31 p.m.

Mr. Anderson read the Certification regarding the Closed Session and, upon a motion made by Mr. Haltom and seconded by Mr. Lyons, it was approved by a unanimous roll call vote (attached).

For: 5 Against: 0 Abstain: 0

Ms. Ferrell-Benavides stepped out of the Closed Session and Mr. Lyons took her place.

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

Mr. Wilson presented a Voluntary Disclosure for himself. He stated he looked at the Virginia Conflict of Interest Act. He further stated he is fortunate to have a daughter and son, who are both licensed civil engineers. He stated his son, Ryan, works for Whitman, Requardt and Associates, and his daughter, Rachel, works for Hazen & Sawyer. Both engineering firms are currently doing projects for the Authority and both will most likely submit on future requests for proposals. He stated he didn't have a personal interest in either firm and neither child is financially dependent on him. He further stated he asked Counsel, Mr. Anderson, to review the Act and he came to the same conclusion. Mr. Wilson requested the Voluntary Disclosure be part of the minutes.

Mr. Lyons thanked Mr. Wilson for sitting down with himself and Ms. Ferrell-Benavides. He stated it's the first time since he's been here that they have sat down and had an educational session that was holistic.

Mr. Wilson told members that we are starting to populate our calendars, so if we need to plan to come to any meetings or any associations in members' areas, to let us know and we would be glad to do that.

8. Adjourn

Mr. Smith stated, if there's no other business, and asked for motion to adjourn.

Upon a motion made by Mr. Massengill and seconded by Dr. Casey the meeting was adjourned at 2:37 p.m.

MINUTES APPROVED BY:

George Hayes
Secretary/Treasurer

CLOSED MEETING RESOLUTION

SOUTH CENTRAL WASTEWATER AUTHORITY

January 16, 2020

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

MOTION: Haltom

SECOND: Massengill

VOTE

Haltom	Aye
Casey	Aye
Massengill	Aye
Smith	Aye
Ferrell-Benavides	Aye

ABSENT DURING VOTE: None.

ABSENT DURING CLOSED MEETING: Ms. Ferrell-Benavides left during the closed meeting and her alternate, Mr. Lyons, who was already in the meeting, took her place.

SESSION DATE: January 16, 2020

CERTIFICATION OF CLOSED MEETING

WHEREAS, the Board of the South Central Wastewater Authority (the "Authority") convened a closed meeting on January 16, 2020, 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: Haltom

SECOND: Lyons

VOTE

Haltom	Aye
Casey	Aye
Massengill	Aye
Smith	Aye
Lyons	Aye

ABSENT DURING VOTE: None.

ABSENT DURING CLOSED MEETING: Ms. Ferrell-Benavides left during the closed meeting and her alternate, Mr. Lyons, who was already in the meeting, took her place.



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TO: South Central Wastewater Authority Board of Directors

FROM: Robert B. Wilson, P.E., Executive Director
James C. Gordon, Assistant Executive Director

DATE: March 12, 2020

SUBJECT: Fiscal Year 2020-21 Proposed Budget

At the January 16, 2020 meeting we presented the proposed FY2020-21 budget for consideration. A copy of the budget summary, highlights and proposed budget is included as Attachment #1. At the same meeting the Board approved a resolution authorizing staff to advertise the budget and set a public hearing date of March 12, 2020 at the South Central Wastewater Authority. A copy of the resolution accepting the proposed budget and authorizing advertisement is included as Attachment #2.

In my individual meetings with jurisdictional representatives, additional questions were raised about SCWWA's outstanding debt and cash balances in reserves. Therefore, we have decided to use the annual budget process as an opportunity to provide updates for outstanding debt as well as review the reserve policies and balances.

SCWWA currently does not have any outstanding bonds. This will change with the nutrient project where potential financing assistance is being requested from the General Assembly.

SCWWA maintains three reserve accounts with respect to operations and maintenance, the Reserve Account, Equipment Replacement Reserve Fund (ERRF) and the Capital Replacement Reserve. By policy, the Reserve Account is set at 50% of the current Operations and Maintenance budget. The Reserve Policy was approved at the October 19, 2017 work session under the resolution titled "Resolution of the Board of the South Central Wastewater Authority Authorizing the Establishment of the Capital Reserve Account and the Application of Certain Funds in Such Account in Fiscal Year 2017-2018", paragraph 1. Establishment of Capital Reserve Account. For FY2020-21 the O&M budget is \$6,589,000 (total operating expenses without equipment replacement). Therefore, the corresponding 50% reserve would be \$3,294,500. The current balance of the Reserve Account is \$3,916,415 which is greater than \$3,294,500 and therefore, no additional appropriation was requested for this line item. The required balance in the ERRF, by Service Agreement (page 41, paragraph E. Equipment Replacement and Reserve Fund), is \$2.5 million. The current ERRF balance is \$2.71 million, therefore, no additional appropriation was requested for this line item. The Capital Replacement Reserve (CRR) is for the nutrient project. The CRR is being funded to provide a funding source for engineering and closing costs for the potential borrowing for the nutrient project. A summary of these figures is illustrated on Attachment #3.

The last question asked was to provide a comparison of the previous three years budget with budget expenses versus actual expenses. A spreadsheet illustrating budget versus actual and the current and proposed budget is included as Attachment #4.

The budget was posted on the SCWWA website, exterior bulletin board adjacent to the main entrance and posted in the Progress Index on February 23rd and March 1st. A copy of the advertisement is included as Attachment #5.

Board Action Requested:

Attachment #6 is the proposed budget for FY2020-21. To date, Authority staff has not received any additional requests for information or explanations. We request that the Board review the attached budget, conduct the public hearing on March 12, 2020 at the South Central Wastewater Authority as advertised, discuss any comments raised and take action based on your findings from the public hearing. Staff's recommendation is for approval of the FY2020-21 budget as presented on January 12th and advertised on February 23rd and March 1st.



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MEMORANDUM

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

**FROM: ROBERT B. WILSON, P.E., EXECUTIVE DIRECTOR
JAMES C. GORDON, ASSISTANT EXECUTIVE DIRECTOR**

SUBJECT: FISCAL YEAR 2020-2021 PROPOSED BUDGET

DATE: JANUARY 16, 2020

We are pleased to present to you the South Central Wastewater Authority proposed 2020-2021 budget for your review and consideration. The total expenses for the Proposed FY2020-21 South Central Wastewater Authority Budget are \$8,839,000. The Board is not requested to approve the proposed budget at today's meeting; however, we request that you review and advise staff to ready the proposed budget to advertise for a public hearing at the March 12, 2020 Board Meeting by the required 14-day period in advance of the scheduled public hearing. Any Board requested changes to the proposed budget can be made on or before the May 14, 2020 Board Meeting where we will request approval of the budget.

A review of the proposed budget changes follows and shows annual expenses for FY 2020/21 are increasing by \$379,300 (3.29%) from the current fiscal year budget primarily due to the continuation of funding the Capital Reserve Account (increase of \$250,000) to offset future capital expenditures.

Cost item increase:

- Salaries: \$50,000 – due to an average pay for performance increase of 2.6%
- Employee Benefits: \$21,000 – primarily due to anticipated increase in Hospitalization Insurance (\$10,000)
- Contractual Services: \$78,400 – primarily due to Software Support (\$25,000) and Maintenance Service Contracts (\$30,000) increases related to reclassification of Replacement items to O&M. Also, Administrative Services (\$53,000) is increasing due to payments to the ARWA for SCWWA's portion of shared employees which includes one new shared position.
- Other Charges: \$23,600 – due to increases in Electricity (\$25,000)

Cost items reductions:

- Materials and Supplies: \$13,700 – primarily due to a decrease in the Repair and Maintenance Supplies-Shop (\$53,000).
- Equipment Replacement: (\$55,000) – there is only one vehicle and one construction project scheduled in the proposed budget.

Note: Remaining landfill leachate treatment revenue is planned to be deposited in the Capital Reserve Account

Debt Service:

Debt service for FY 2020/21 is zero.

Capital Reserve Account:

The Capital Reserve Account (used to offset future capital project rate impacts) *is allocated based on plant allocation.*

Salaries & Wages:

It is important to understand the maintenance and operations of our wastewater infrastructure, not only by implementing the latest technologies, but also by continuing to invest in a skilled workforce. Thus, we are requesting an average performance-based salary increase of 2.6%. As you are aware, a significant portion of the Authority's workforce will exit the field in the next three to five years (Hazen and Sawyer Merger Analysis), depleting the pool of experienced certified and licensed professionals. The job sector in the water field is necessitating a more skilled workforce. The upcoming retirement of experienced Operators and Maintenance staff who can train new personnel further exacerbates the problem. Competition will continue for certified and licensed employees between other local utilities and will force the Authority to make cost related decisions to attract and retain new employees. We must continue to invest in our skilled employees and maintain market competitive salaries. As part of staff's annual performance evaluation, each employee will be reviewed and rated in May 2019 on the following elements:

- Knowledge & Ability
- Productivity
- Initiative
- Interpersonal Relationships
- Time Management
- Communication
- Attendance
- Judgment
- Adaptability
- Meeting defined goals

An average employee would receive a 2% salary increase with only the higher performing employees eligible for up to 3%. Non-performing employees will receive less than 2%, with certain employees with a lower score being placed into a required performance improvement probation period.

Replacement Fund:

The Replacement Fund at \$538,000 has been decreased \$55,000. The Replacement Fund includes projects to replace an aging drain pump station and another old PLC. Also included are smaller activities such as a vehicle replacement, flow signal converter upgrades, caustic feed pump replacement, and air scrubber media replacement.

REVENUE:

	Present FY19/20 Budget Cost	Proposed FY20/21 Budget Cost	Annual \$ Difference	Annual % Difference
City of Petersburg	\$4,771,204	\$5,063,007	\$291,803	6.12%
City of Colonial Heights	\$1,622,291	\$1,641,237	\$18,946	1.17%
Chesterfield County	\$729,702	\$760,473	\$30,771	4.22%
Prince George County	\$589,419	\$585,853	(\$3,567)	-0.61%
Dinwiddie County	\$747,084	\$788,430	\$41,346	5.53%
Total	\$8,459,700	\$8,839,000	\$379,300	3.286%

Note: O&M Budget costs are estimated based on 5 year average flow distribution

BOARD ACTION REQUESTED:

Board approval to advertise the FY2020-21 proposed budget is requested. The public hearing on the proposed budget will be at the March 12, 2020 Board of Directors meeting held at SCWWA. Final Board consideration on the budget approval is scheduled for the May 14, 2020 Board of Directors meeting held at ARWA. Any budget changes or edits required or requested by the Board can be taken before or during the May Board of Directors meeting.

SOUTH CENTRAL WASTEWATER AUTHORITY

PROPOSED: January 16, 2020

APPROVED:

Acct #	ITEM	Fiscal Year 2019/2020 Budget	Fiscal Year 2020/2021 Budget	Change	
				Increase/ (Decrease) FY19/20 to FY20/21	Reason for changes
51000	SALARY	\$ 1,900,000	\$ 1,950,000	\$ 50,000	Includes an average 2.6% pay for performance increase
52000	EMPLOYEE BENEFITS	\$ 892,000	\$ 913,000	\$ 21,000	
52100	Employer FICA	\$ 145,000	\$ 150,000		
52200	Virginia Retirement System	\$ 125,000	\$ 130,000		
52300	Hospitalization Insurance	\$ 590,000	\$ 600,000		
52400	Group Life	\$ 27,000	\$ 28,000		
52450	Supplemental Group Life	\$ 1,500	\$ 1,500		
52500	Health Insurance Credit	\$ -	\$ -		
52700	Employee Promotions	\$ 3,500	\$ 3,500		
52900	OPEB Health Insuranc ARC Adj	\$ -	\$ -		
52952	Net Pension Adjustment		\$ -		
53000	Contractual Services	\$ 369,600	\$ 448,000	\$ 78,400	Administrative Services increase related to 50% salary split with the ARWA for a new maintenance manager position. Maintenance service contracts increase is due to a reclassification of general concrete repair from replacement to maintenance service contracts. Software support increase based on actual costs related to increasing support contract costs, additional support contracts for network and server software, and reclassification of large software support contracts from Replacement to O&M.
53121	Auditing Services	\$ 12,500	\$ 12,500		
53122	Accounting Services	\$ 7,000	\$ 7,500		
53123	Administrative Service	\$ 37,000	\$ 90,000		
53140	Consults - Engineering	\$ 50,000	\$ 50,000		
53145	Consults - General	\$ 25,000	\$ -		
53150	Legal Services	\$ 50,000	\$ 50,000		
53152	Software Support	\$ 45,000	\$ 70,000		
53160	Medical	\$ 8,600	\$ 3,000		
53162	Bank Service Charges	\$ 1,000	\$ 1,000		
53170	Payment in Lieu of Taxes (City of Petersburg)	\$ 33,500	\$ 33,500		
53190	Samples and Testing	\$ 44,500	\$ 43,000		
53220	VPDES Permit Fee	\$ 10,500	\$ 12,500		
53320	Maintenance Service Contracts	\$ 20,000	\$ 50,000		
53600	Grounds Maintenance	\$ 25,000	\$ 25,000		
55000	Other Charges	\$ 974,400	\$ 998,000	\$ 23,600	
55050	Advertising	\$ 6,000	\$ 10,000		
55110	Electricity	\$ 425,000	\$ 450,000		
55120	Natural Gas	\$ 20,000	\$ 15,000		
55130	Solid Waste	\$ 3,500	\$ 3,500		

55140	Water	\$ 8,000	\$ 8,500		
55150	Storm Water (City of Petersburg)	\$ 6,000	\$ 6,500		
55160	Biosolids Disposal	\$ 350,000	\$ 350,000		
55210	Postage and Freight	\$ 15,000	\$ 15,000		
55230	Telecommunications	\$ 16,500	\$ 16,500		
55308	General Liability Insurance	\$ 67,000	\$ 70,000		
55410	Lease/Rent of Equipment	\$ 11,000	\$ 11,000		
55530	Meals and Lodging	\$ 5,000	\$ 2,000		
55540	Education and Training	\$ 19,400	\$ 20,000.00		
55550	Safety Supplies	\$ 22,000	\$ 20,000.00		
56000	Materials and Supplies	\$ 1,205,700	\$ 1,192,000	\$ (13,700)	
56001	Office Supplies	\$ 15,000	\$ 15,000		
56004	Laboratory Supplies	\$ 52,000	\$ 55,000		
56005	Process Chemicals	\$ 560,000	\$ 575,000		
56006	Repair and Maintenance Supplies - IT	\$ 60,000	\$ 80,000		
56007	Repair and Maintenance Supplies - Shop	\$ 408,000	\$ 355,000		
56008	Vehicle and Equipment Fuels	\$ 25,000	\$ 25,000		
56010	Janitorial Supplies	\$ 8,000	\$ 10,000		
56011	Uniforms	\$ 22,500	\$ 19,000		
56012	Dues and Subscriptions	\$ 36,700	\$ 38,000		
56015	Small Equipment Purchases	\$ 8,500	\$ 10,000		
56016	Operation - Supplies - Maintenance	\$ 10,000	\$ 10,000		
57000	Equipment Replacement	\$ 593,000	\$ 538,000	\$ (55,000)	
58000	Nutrient Credit Purchases	\$ 525,000	\$ 550,000	\$ 25,000	
59000	Rate Stabilization Funds to be deposited to Capital Reserve Acct	\$ -		\$ -	
	Total(Operations & Maintenance)	\$ 6,459,700	\$ 6,589,000	\$ 129,300	
	Reserve policy (50% O&M)	\$ -	\$ -	\$ -	50% O&M reserves met
	ERRF (5% of Operations & Maintenance)	\$ -	\$ -	\$ -	Account is > \$2.5 m
	Capital Reserve Account	\$ 2,000,000	\$ 2,250,000	\$ 250,000	Used to offset future capital expenditures
	Debt Service	\$ -	\$ -	\$0	
	Total	\$ 8,459,700	\$ 8,839,000	\$ 379,300	

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

FY20/21

Acct#	Proposed FY ITEM	Budget 19/20	Proposed Budget 20/21	INFORMATIONAL & PLANNING				Beyond	
				21/22	22/23	23/24	23/24	FY	Estimate
57010 - Machinery & Equipment	Emergency / Miscellaneous Repairs	\$ 95,000	\$ 105,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000		
	Replace Pump Bldg 3 MCC	\$ 20,000							
	Caustic Pumps Replacement		\$ 25,000	\$ -	\$ -	\$ -			
	Chlorihe Pump Room Rehab			\$ 60,000					
	New media for Scrubber #2		\$ 10,000						
	Electric Actuators at Grit Tank	\$ 8,000							
57020 - Instrumentation	Replace PLC3 (23 years old)	\$ 90,000		\$ 80,000					
	Replace PLC2 (24 years old)		\$ 80,000						
	Replace PLC 4 (25 years old)								
	RAS Flowmeter Signal Converters		\$ 8,000						
	New Phosphate Analyzer	\$ 20,000							
57030 - SCADA	Misc. SCADA/Communication Equipment	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000		
57040 - Computer Hardware & Software	Computer Equipmt > \$5,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000		
57050 - Motor Vehicles	Operations 2001 Dodge Pickup	\$ 35,000		\$ 160,000					
	2007 Operations Colorado		\$ 35,000						
	2008 Trailblazer (Fleet)	\$ 40,000	\$ -						
	Case Loader (Big Loader)								
	4x4 Pickup - Replacement				\$ 40,000	\$ 40,000	\$ 40,000		
	2000 GMC Dump Truck				\$ 75,000				
	Front End Loader with Backhoe					\$ 60,000			
	Telescopic Forklift to replace crane				\$ 150,000				
	2001 GMC Dump Truck				\$ 75,000				
57060 - Construction	General Concrete Repair	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -		
	Roof Inspection/Repairs	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -		
	Roof Replacement - PB 5, Sodium Bi, Blower, Vehicle Storage, and Sodium Hypo			\$ 250,000					
	Upgrade Headworks Drain PS		\$ 250,000						
	New Headworks Air Compressors	\$ 60,000							
	Rehab Admin work areas	\$ 10,000							

	Security Perimeter Fence	\$	100,000										
	Generator and Utility Protective Relays Upgrade	\$	30,000										
	RAS Pumps					\$	1,000,000						
57080 - Fixtures and Funiture	Lab Cabinets and Countertop				\$	-	\$	50,000					
	TOTALS:	\$	593,000	\$	538,000	\$	775,000	\$	415,000	\$	1,300,000	\$	190,000

NOTE: FY 20/21 TO BE APPROVED WITH BUDGET

**South Central Wastewater Authority
Nutrient Credit Purchase - Acct # 58100**

		FY20/21							
		INFORMATIONAL & PLANNING							
Acct# 58100	Budget	Proposed Budget							
<u>ITEM</u>	<u>19/20</u>	<u>20/21</u>	<u>21/22</u>	<u>22/23</u>	<u>23/24</u>	<u>24/25</u>	<u>25/26</u>	<u>25/26</u>	
Private Purchase - Henrico County									
Private Purchase - Chesterfield County	\$ 472,000	\$ 500,000	\$ 87,500	\$ 87,500	\$ 87,500	\$ 87,500	\$ 87,500		
Contingency - Exchange Purchase if needed	\$ 53,000	\$ 50,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000		
Private or Exchange									
Totals	\$ 525,000	\$ 550,000	\$ 187,500	\$ 187,500	\$ 187,500	\$ 187,500	\$ -	\$ -	

NOTE: FY 20/21 TO BE APPROVED WITH BUDGET

**South Central Wastewater Authority
Capital Budget
FY20/21**

		INFORMATIONAL & PLANNING							
<u>ITEM</u>	<u>Budget</u>	<u>Proposed Budget</u>							
<u>19/20</u>	<u>20/21</u>	<u>21/22</u>	<u>22/23</u>	<u>23/24</u>	<u>24/25</u>	<u>25/26</u>	<u>25/26</u>	<u>26/27</u>	
Nutrient Upgrade (3)		\$ 1,500,000	\$ 9,375,000	\$ 9,375,000	\$ 9,375,000	\$ 9,375,000			
Totals	\$ -	\$ 1,500,000	\$ 9,375,000	\$ 9,375,000	\$ 9,375,000	\$ 9,375,000	\$ -	\$ -	

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. Assumes \$75,000,000 with WQIF funding of 37,500,000.

SOUTH CENTRAL WASTEWATER AUTHORITY

FY 2020/2021 Budget

Proposed: January 16, 2020

Approved: _____

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: \$6,589,000.00

Community	Petersburg	Colonial Heights	Chesterfield	Prince George	Dinwiddie
% O&M (1)	58.913%	18.079%	8.127%	6.330%	8.551%
O&M	\$ 3,881,756.74	\$ 1,191,237.24	\$ 535,473.07	\$ 417,102.76	\$ 563,430.19

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

Budget: \$ -

%ERRF(2)	52.5%	20.0%	10.0%	7.5%	10.0%
ERRF	\$ -	\$ -	\$ -	\$ -	\$ -

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

Budget: 0

% Participation (3)	52.5%	20.0%	10.0%	7.5%	10.0%
Reserve Policy	\$ -	\$ -	\$ -	\$ -	\$ -

Capital Reserve Account (to offset future Capital Expenditures)

Budget: \$ 2,250,000.00

% Participation	52.5%	20.0%	10.0%	7.5%	10.0%
Reserve Policy	\$ 1,181,250.00	\$ 450,000.00	\$ 225,000.00	\$ 168,750.00	\$ 225,000.00

Annual Total	\$ 5,063,006.74	\$ 1,641,237.24	\$ 760,473.07	\$ 585,852.76	\$ 788,430.19
O&M Due Monthly	\$ 323,479.73	\$ 99,269.77	\$ 44,622.76	\$ 34,758.56	\$ 46,952.52
ERRF Due Monthly	\$ -	\$ -	\$ -	\$ -	\$ -
Reserve policy Due Monthly	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Reserve Account	\$ 98,437.50	\$ 37,500.00	\$ 18,750.00	\$ 14,062.50	\$ 18,750.00
P&I Due Monthly	\$ -	\$ -	\$ -	\$ -	\$ -
Total Due Monthly	\$ 421,917.23	\$ 136,769.77	\$ 63,372.76	\$ 48,821.06	\$ 65,702.52

Notes:

(1) Participation percentage based on flow data for period from FY15 to FY19

(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 2020/2021 Budget

Proposed: January 16, 2020

Approved: _____

<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	58.913%	18.079%	8.127%	6.330%	8.551%	100.000%
Estimated Share of Operations & Maintenance	\$ 3,881,756.74	\$ 1,191,237.24	\$ 535,473.07	\$ 417,102.76	\$ 563,430.19	\$ 6,589,000.00
Share of Plant Capacity (%)	52.50%	20.00%	10.00%	7.50%	10.00%	100.00%
Share of Equipment Replacement Reserve Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserve Policy - Reserve Fund (50% O&M)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Reserve Account	\$ 1,181,250.00	\$ 450,000.00	\$ 225,000.00	\$ 168,750.00	\$ 225,000.00	\$ 2,250,000.00
Share of Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Monthly Amount	\$ 421,917.23	\$ 136,769.77	\$ 63,372.76	\$ 48,821.06	\$ 65,702.52	\$ 736,583.33
Annual Total	\$ 5,063,006.74	\$ 1,641,237.24	\$ 760,473.07	\$ 585,852.76	\$ 788,430.19	\$ 8,839,000.00
Electrical Credit						\$ -
Miscellaneous Revenue - PROPOSE THIS REVENUE IS DEPOSITED TO A CAPITAL RESERVE FUND						\$ -
<u>Total Budget</u>						<u>\$ 8,839,000.00</u>

Budget Comparison

	FY20/21 Proposed Budget	FY19/20 Budget	FY20/21 - FY19/20	
Locality	Revenue	Revenue	Difference	
City of Petersburg	\$ 5,063,007	\$ 4,771,204	\$ 291,803	6.12%
City of Colonial Heights	\$ 1,641,237	\$ 1,622,291	\$ 18,946	1.17%
Chesterfield County	\$ 760,473	\$ 729,702	\$ 30,771	4.22%
Prince George County	\$ 585,853	\$ 589,419	\$ (3,567)	-0.61%
Dinwiddie County	\$ 788,430	\$ 747,084	\$ 41,346	5.53%
Sub-totals	\$ 8,839,000	\$ 8,459,700	\$ 379,300	3.286%
Deferred Debt (Petersburg)	\$ -	\$ -	\$ -	
Deferred Debt (Colonial Heights)	\$ -	\$ -	\$ -	
Deferred Debt (Prince George)	\$ -	\$ -	\$ -	
Electrical Credit	\$ -	\$ -	\$ -	
Miscellaneous Revenue	\$ -	\$ -	\$ -	
Total Budget	\$ 8,839,000.00	\$ 8,459,700.00	\$ 379,300.00	

50% Reserve Policy:

Reserve Fund Calculation

SCWWA O&M Budget	Total expected reserves on June 30, 2020	Recommended 50% O&M Reserves	Charges required to achieve 50% reserves	Annual Charge
\$6,589,000	\$4,392,714.58	\$3,294,500.00	-\$1,098,214.58	0



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 Petersburg, VA 23803
 Office: (804) 861-0111
 Fax: (804) 861-3254

RESOLUTION

OF THE SOUTH CENTRAL WASTEWATER AUTHORITY PROVIDING PRELIMINARY APPROVAL OF THE BUDGET FOR FISCAL YEAR 2021 AND THE RELATED PAYMENT SCHEDULE

WHEREAS, in October, November and December of 2019 the staff of the South Central Wastewater Authority (the "Authority") developed the Authority's proposed budget and payment schedule for Fiscal Year 2021 and at this meeting held on January 16, 2020, presented the proposed budget and payment schedule to the Authority Board; and

WHEREAS, Section 10.2 of the Authority's Bylaws and Virginia Code Section 15.2-5136(G) require the preliminary approval of the proposed budget and payment schedule for notification of a public hearing prior to the final adoption of the budget and payment schedule for any fiscal year;

NOW, THEREFORE, BE IT RESOLVED that the Board of the South Central Wastewater Authority hereby (a) provides preliminary approval of (i) the proposed Fiscal Year 2021 budget submitted as an attachment to this resolution and (ii) the proposed payment schedule for Fiscal Year 2021 as set forth below, (b) schedules a public hearing on the proposed Fiscal Year 2021 budget and payment schedule at the Authority's next scheduled Board meeting on March 12, 2020, and (c) directs Authority staff to provide for the publication of the notices of such public hearing in accordance with Section 10.2 of the Authority's Bylaws and Virginia Code Section 15.2-5136(G):

FY2021 PAYMENTS	
City of Petersburg	\$5,063,007
City of Colonial Heights	1,641,237
Chesterfield County	760,473
Prince George County	585,853
Dinwiddie County	788,430
TOTAL	\$8,839,000

BE IT FURTHER RESOLVED that the Authority Board acknowledges that pursuant to the wastewater service agreement in effect between the Authority and each of its five member jurisdictions, the payment schedule is subject to change during or after Fiscal Year 2021 based on, among other things, each member jurisdiction's actual use of the Authority's wastewater treatment facilities and the actual amount of revenues received and expenses incurred by the Authority during Fiscal Year 2021.

ATTACHMENT #3

2:00 PM
02/10/20
Accrual Basis

South Central Wastewater Authority Balance Sheet As of January 31, 2020

Highlights: SCWWA Cash Positions	30-Jun-19	31-Jan-20	Change	Explanation
Unrestricted Cash & Investments:				
Petty Cash	\$ 250.00	\$ 250.00	\$ -	On-Hand Petty Cash for incidental expenses
Wells Fargo Operating Account	\$ 1,664,860.36	\$ 2,679,512.95	\$ 1,014,652.59	Financial Policy: All incoming O & M charges under service agreement
Wells Fargo Reserve Account	\$ 3,916,414.45	\$ 3,916,414.45	\$ -	Financial Policy: 50% of Authority's Annual O & M Budget
Wells Fargo-Capital Improvements Reserve	\$ 2,016,465.72	\$ -	\$ (2,016,465.72)	Old Capital Reserve Account-Closed once LGIP Accounts Established
Wells Fargo-Incoming Leachate	\$ 32,541.03	\$ 117,875.73	\$ 85,334.70	Incoming Leachate Revenues-Moved Quarterly to LGIP Account
Restricted Cash and Investments:				
LGIP-ERRF	\$ 2,710,467.97	\$ 2,710,467.97	\$ -	Resolution adopted by BOD, January 2018
LGIP-Capital Improvement Reserve	\$ 2,700,000.00	\$ 5,001,918.97	\$ 2,301,918.97	Resolution adopted by BOD, January 2018
Total Cash and Investments	\$ 13,040,999.53	\$ 14,426,440.07	\$ 1,385,440.54	

ATTACHMENT #4

SOUTH CENTRAL WASTEWATER AUTHORITY

Acct #	ITEM	Fiscal Year 2016/2017		Fiscal Year 2017/2018		Fiscal Year 2018/2019		Current Year	Proposed	Proposed/Current Increase/Decrease
		Budget	Actual	Budget	Actual	Budget	Actuals	2019/2020 Budget	2020/2021 Budget	
51000	SALARY	\$ 1,835,000	\$ 1,770,676	\$ 1,835,000	\$ 1,854,165	\$ 1,900,000	\$ 1,825,302	\$ 1,900,000	\$ 1,950,000	\$ 50,000
52000	EMPLOYEE BENEFITS	\$ 746,000	\$ 608,259	\$ 794,500	\$ 563,364	\$ 800,000	\$ 624,441	\$ 892,000	\$ 913,000	\$ 21,000
52100	Employer FICA	\$ 138,000	\$ 129,560	\$ 140,000	\$ 136,287	\$ 145,000	\$ 150,596	\$ 145,000	\$ 150,000	\$ 5,000
52200	Virginia Retirement System	\$ 160,000	\$ 115,863	\$ 162,000	\$ 119,474	\$ 150,000	\$ 89,543	\$ 125,000	\$ 130,000	\$ 5,000
52201	VRS Hybrid (VRS Hybrid-Employee Contribution)	\$ -	\$ 1,676	\$ -	\$ -	\$ -	\$ 5,092			
52202	VRS Hybrid 457 (VRS Hybrid 457 Employee Contribution)	\$ -	\$ (22)	\$ -	\$ -	\$ -	\$ 119			
52300	Hospitalization Insurance	\$ 416,500	\$ 396,526	\$ 460,000	\$ 463,062	\$ 460,000	\$ 514,717	\$ 590,000	\$ 600,000	\$ 10,000
52400	Group Life	\$ 23,000	\$ 21,750	\$ 23,000	\$ 24,054	\$ 25,000	\$ 24,154	\$ 27,000	\$ 28,000	\$ 1,000
52450	Supplemental Group Life	\$ 1,500	\$ 1,201	\$ 1,500	\$ 1,219	\$ 1,500	\$ 1,149	\$ 1,500	\$ 1,500	\$ -
52500	Health Insurance Credit	\$ 1,500	\$ -	\$ -	\$ 0	\$ -	\$ -			\$ -
52700	Employee Promotions	\$ 5,500	\$ 3,305	\$ 3,500	\$ 3,189	\$ 3,500	\$ 4,634	\$ 3,500	\$ 3,500	\$ -
52900	OPEB Health Insuranc ARC Adj	\$ -	\$ 12,100	\$ 4,500	\$ 8,425	\$ 15,000	\$ (8,348)			
52952	Net Pension Adjustment	\$ -	\$ (73,700)	\$ -	\$ (192,346)		\$ (157,214)			
53000	Contractual Services	\$ 321,500	\$ 433,718	\$ 338,300	\$ 225,495	\$ 339,000	\$ 379,388	\$ 369,600	\$ 448,000	\$ 78,400
53121	Auditing Services	\$ 17,000	\$ 13,000	\$ 15,000	\$ 13,095	\$ 12,500	\$ 12,200	\$ 12,500	\$ 12,500	\$ -
53122	Accounting Services	\$ 10,000	\$ 6,142	\$ 7,000	\$ 5,244	\$ 7,000	\$ 11,099	\$ 7,000	\$ 7,500	\$ 500
53123	Administrative Service	\$ -	\$ 211,073	\$ 1,700	\$ (21,670)	\$ (5,000)	\$ 39,667	\$ 37,000	\$ 90,000	\$ 53,000
53140	Consults - Engineering	\$ 60,000	\$ 12,559	\$ 60,000	\$ 52,524	\$ 50,000	\$ 124,873	\$ 50,000	\$ 50,000	\$ -
53145	Consults - General	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ 25,000		\$ (25,000)
53150	Legal Services	\$ 60,000	\$ 43,188	\$ 80,000	\$ 24,873	\$ 50,000	\$ 22,512	\$ 50,000	\$ 50,000	\$ -
53152	Software Support	\$ 40,000	\$ 36,183	\$ 40,000	\$ 37,882	\$ 40,000	\$ 64,646	\$ 45,000	\$ 70,000	\$ 25,000
53160	Medical	\$ 3,500	\$ 3,475	\$ 3,500	\$ 2,050	\$ 5,000	\$ 2,860	\$ 8,000	\$ 3,000	\$ (5,000)
53162	Bank Service Charges	\$ 3,500	\$ -	\$ 3,500	\$ -	\$ 1,000	\$ 1	\$ 1,000	\$ 1,000	\$ -
53170	Payment in Lieu of Taxes (City of Petersburg)	\$ 33,500	\$ 31,773	\$ 33,500	\$ 31,773	\$ 33,500	\$ 31,773	\$ 33,500	\$ 33,500	\$ -
53190	Samples and Testing	\$ 44,500	\$ 38,929	\$ 44,500	\$ 31,338	\$ 44,500	\$ 30,125	\$ 44,500	\$ 43,000	\$ (1,500)
53220	VPDES Permit Fee	\$ 9,500	\$ 10,248	\$ 9,600	\$ 9,692	\$ 10,500	\$ 9,840	\$ 10,500	\$ 12,500	\$ 2,000
53320	Maintenance Service Contracts	\$ 15,000	\$ 3,299	\$ 15,000	\$ 14,843	\$ 15,000	\$ 8,276	\$ 20,000	\$ 50,000	\$ 30,000
53600	Grounds Maintenance	\$ 25,000	\$ 23,850	\$ 25,000	\$ 23,850	\$ 25,000	\$ 21,517	\$ 25,000	\$ 25,000	\$ -
55000	Other Charges	\$ 996,900	\$ 846,716	\$ 989,900	\$ 832,367	\$ 972,400	\$ 986,255	\$ 974,400	\$ 998,000	\$ 23,600
55050	Advertising	\$ 4,500	\$ 5,392	\$ 8,000	\$ 4,786	\$ 6,000	\$ 10,476	\$ 6,000	\$ 10,000	\$ 4,000
55110	Electricity	\$ 450,000	\$ 381,178	\$ 450,000	\$ 400,453	\$ 425,000	\$ 429,885	\$ 425,000	\$ 450,000	\$ 25,000
55120	Natural Gas	\$ 20,000	\$ 13,423	\$ 22,000	\$ 15,324	\$ 20,000	\$ 11,878	\$ 20,000	\$ 15,000	\$ (5,000)
55130	Solid Waste	\$ 2,500	\$ 2,954	\$ 2,500	\$ 2,345	\$ 3,500	\$ 3,036	\$ 3,500	\$ 3,500	\$ -
55140	Water	\$ 10,000	\$ 6,911	\$ 10,000	\$ 7,099	\$ 8,000	\$ 8,016	\$ 8,000	\$ 8,500	\$ 500
55150	Storm Water (City of Petersburg)	\$ 5,500	\$ 5,193	\$ 5,500	\$ 5,193	\$ 6,000	\$ 5,666	\$ 6,000	\$ 6,500	\$ 500
55160	Biosolids Disposal	\$ 360,000	\$ 297,751	\$ 350,000	\$ 269,375	\$ 350,000	\$ 385,682	\$ 350,000	\$ 350,000	\$ -
55210	Postage and Freight	\$ 2,500	\$ 2,738	\$ 5,000	\$ 14,836	\$ 15,000	\$ 11,253	\$ 15,000	\$ 15,000	\$ -
55230	Telecommunications	\$ 15,000	\$ 15,634	\$ 15,000	\$ 12,818	\$ 16,500	\$ 15,567	\$ 16,500	\$ 16,500	\$ -
55308	General Liability Insurance	\$ 70,000	\$ 60,595	\$ 65,000	\$ 61,190	\$ 65,000	\$ 64,055	\$ 67,000	\$ 70,000	\$ 3,000
55410	Lease/Rent of Equipment	\$ 11,000	\$ 6,317	\$ 11,000	\$ 8,555	\$ 11,000	\$ 9,548	\$ 11,000	\$ 11,000	\$ -
55530	Meals and Lodging	\$ 7,500	\$ 1,666	\$ 7,500	\$ 1,430	\$ 5,000	\$ 714	\$ 5,000	\$ 2,000	\$ (3,000)
55540	Education and Training	\$ 19,400	\$ 18,652.23	\$ 19,400	\$ 11,794.67	\$ 19,400	\$ 16,129.69	\$ 19,400	\$ 20,000	\$ 600
55550	Safety Supplies	\$ 19,000	\$ 28,311.07	\$ 19,000	\$ 17,165.85	\$ 22,000	\$ 14,351.05	\$ 22,000	\$ 20,000	\$ (2,000)
56000	Materials and Supplies	\$ 1,170,500	\$ 875,072	\$ 1,185,200	\$ 1,069,352	\$ 1,194,700	\$ 941,858	\$ 1,205,700	\$ 1,192,000	\$ (13,700)
56001	Office Supplies	\$ 17,500	\$ 17,809	\$ 15,000	\$ 6,352	\$ 15,000	\$ 9,548	\$ 15,000	\$ 15,000	\$ -
56004	Laboratory Supplies	\$ 49,000	\$ 39,486	\$ 50,500	\$ 51,244	\$ 51,000	\$ 49,742	\$ 52,000	\$ 55,000	\$ 3,000
56005	Process Chemicals	\$ 560,000	\$ 534,767	\$ 560,000	\$ 510,259	\$ 560,000	\$ 567,251	\$ 560,000	\$ 575,000	\$ 15,000
56006	Repair and Maintenance Supplies - IT	\$ -	\$ -	\$ 50,000	\$ 56,875	\$ 53,000	\$ 46,830	\$ 60,000	\$ 80,000	\$ 20,000
56007	Repair and Maintenance Supplies - Shop	\$ 440,000	\$ 330,829	\$ 400,000	\$ 363,837	\$ 415,000	\$ 273,086	\$ 408,000	\$ 355,000	\$ (53,000)
56008	Vehicle and Equipment Fuels	\$ 32,000	\$ 18,594	\$ 34,000	\$ 28,644	\$ 25,000	\$ 19,734	\$ 25,000	\$ 25,000	\$ -
56010	Janitorial Supplies	\$ 8,000	\$ 7,637	\$ 8,000	\$ 7,215	\$ 8,000	\$ 7,263	\$ 8,000	\$ 10,000	\$ 2,000
56011	Uniforms	\$ 22,500	\$ 18,176	\$ 22,500	\$ 16,727	\$ 22,500	\$ 17,606	\$ 22,500	\$ 19,000	\$ (3,500)
56012	Dues and Subscriptions	\$ 33,000	\$ 14,537	\$ 36,700	\$ 28,430	\$ 36,700	\$ 34,218	\$ 36,700	\$ 38,000	\$ 1,300
56015	Small Equipment Purchases	\$ 8,500	\$ 10,655	\$ 8,500	\$ 7,735	\$ 8,500	\$ 5,491	\$ 8,500	\$ 10,000	\$ 1,500

56016	Operation - Supplies - Maintenance	\$ -	\$ -	\$ -	\$ 286	\$ -	\$ -	\$ 10,000	\$ 10,000	\$ -
56999	Inventory Adjustment	\$ -	\$ (117,418)	\$ -	\$ (8,253)	\$ -	\$ (88,912)			
57000	Equipment Replacement	\$ 2,440,000	\$ 999,753	\$ 2,105,100	\$ 907,464	\$ 621,000	\$ 1,838,596	\$ 593,000	\$ 538,000	\$ (55,000)
57010	Machinery & Equipment	\$ 60,000	\$ 25,623	\$ 350,000	\$ 236,052	\$ 210,000	\$ 391,922	\$ 123,000	\$ 140,000	
57020	Instrumentation	\$ 35,000	\$ 17,962	\$ 43,500	\$ 33,007	\$ 80,000	\$ -	\$ 110,000	\$ 88,000	
57030	SCADA	\$ 15,000	\$ -	\$ 36,000	\$ 34,243	\$ 15,000	\$ -	\$ 15,000	\$ 15,000	
57040	Computer Software & Hardware	\$ 15,000	\$ 10,972	\$ 25,600	\$ 1,189	\$ 15,000	\$ -	\$ 10,000	\$ 10,000	
57050	Motor Vehicle	\$ -	\$ -	\$ 75,000	\$ 65,358	\$ 6,000	\$ -	\$ 75,000	\$ 35,000	
57060	Construction	\$ 2,315,000	\$ 945,196	\$ 1,540,000	\$ 537,615	\$ 295,000	\$ 1,446,674	\$ 130,000	\$ 250,000	
	Special Studies	\$ -	\$ -	\$ 35,000	\$ -	\$ -	\$ -			
58000	Nutrient Credit Purchases	\$ 1,020,000	\$ 829,652	\$ 860,000	\$ 610,075	\$ 617,000	\$ 466,164	\$ 525,000	\$ 550,000	\$ 25,000
58100	Nutrient Credit Purchases	\$ 1,020,000	\$ 829,652	\$ 550,000	\$ 610,075	\$ 187,500	\$ 466,164	\$ 525,000	\$ 550,000	
59000	Rate Stabilization Funds to be deposited to Capital Reserve Acct					\$ 1,740,000	\$ 1,740,000			
	Total(Operations & Maintenance)	\$ 8,529,900	\$ 6,363,845	\$ 8,584,300	\$ 6,538,583	\$ 8,184,100	\$ 8,802,004	\$ 6,459,700	\$ 6,589,000	\$ 129,300
	Depreciation Expense	\$ -	\$ 976,942	\$ -	\$ 1,012,043	\$ -	\$ 1,128,870			
	Reserve policy (50% O&M)	\$ 676,801	\$ 676,801	\$ 685,868	\$ 685,868	Fully Funded	Fully Funded			
	ERRF (5% of Operations & Maintenance)	\$ 426,495	\$ 426,495	\$ 429,215	\$ 429,215	Fully Funded	Fully Funded	Fully Funded	Fully Funded	
	ERRF Repayment (From FY14/15 Operating Reserve Adj.)	\$ -		\$ -		\$ -				
	Capital Reserve Account			\$ 476,300	\$ 476,300	\$ -		\$ 2,000,000	\$ 2,250,000	\$ 250,000
	Debt Service	\$ -	\$ -	\$ -		\$ -				
	Total	\$ 9,633,196	\$ 8,444,083	\$ 10,175,683	\$ 9,142,008	\$ 8,184,100	\$ 9,930,875	\$ 8,459,700	\$ 8,839,000	\$ 379,300
	Without Depreciation	\$ 9,633,196	\$ 7,467,141	\$ 10,175,683	\$ 8,129,965	\$ 8,184,100	\$ 8,802,004			

SOUTH CENTRAL WASTEWATER AUTHORITY
PROPOSED BUDGET AND ESTIMATED CHARGES FOR THE FISCAL YEAR ENDING JUNE 30, 2021

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, 2021 ("FY2021") including the estimated amounts to be paid by each of the Authority's five member jurisdictions and other users. The public hearing allows the public to question and comment on the proposed budget and estimated charges.

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 12, 2020, 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	\$760,473
City of Colonial Heights	1,641,237
Dinwiddie County	788,430
City of Petersburg	5,063,007
<u>Prince George County</u>	<u>585,853</u>
TOTAL REVENUES	\$8,839,000

EXPENSES

Operating and Maintenance Expenses:

Salary & Wages	\$1,950,000
Employee Benefits	913,000
Contractual Services	448,000
Other Charges (Utilities, Insurance, Fuel, Training)	998,000
Materials and Supplies	1,192,000
Equipment Replacement	538,000
Nutrient Credit Purchases	550,000
Capital Reserve Account (Participating Jurisdiction Funded)	2,250,000
Reserve Policy	0
<u>Equipment Repair & Replacement Fund</u>	<u>0</u>
TOTAL EXPENSES	\$8,839,000

REVENUE DETAIL BY PARTICIPATING JURISDICTION

	PRESENT FY2020 PAYMENTS	PROPOSED FY2021 PAYMENTS	ANNUAL Cash Difference	% Difference
City of Petersburg	\$4,771,204	\$5,063,007	\$291,803	6.12%
City of Colonial Heights	\$1,622,291	\$1,641,237	\$18,946	1.17%
Chesterfield County	\$729,702	\$760,473	\$30,771	4.22%
Prince George County	\$589,419	\$585,853	-\$3,567	-0.61%
Dinwiddie County	\$747,084	\$788,430	\$41,346	5.53%
TOTAL	\$8,459,700	\$8,839,000	\$379,300	

Pursuant to the wastewater service agreement in effect between the Authority and each of its five member jurisdictions, the proposed budget as set forth above is subject to change during or after each fiscal year based on, among other things, each member jurisdiction's actual use of the Authority's wastewater treatment facilities and the actual amounts of revenues received and expenses incurred by the Authority during FY2021.

The Authority has also proposed to charge (i) a septage rate of the greater of \$25 per truck or \$0.05 per gallon offloaded and (ii) a leachate rate of \$0.095 per gallon offloaded. Pursuant to a resolution adopted by the Board of the Authority on January 18, 2018, all septage, leachate and other special revenues not paid by the member jurisdictions pursuant to the wastewater service agreement are to be deposited in the Capital Reserve Account and held for use with Board approval to fund future capital improvement projects or to pay Authority operating expenses in the event of unanticipated financial emergencies.

ATTACHMENT #6

SOUTH CENTRAL WASTEWATER AUTHORITY

PROPOSED: January 16, 2020

APPROVED:

				Change	
		Fiscal Year	Fiscal Year	Increase/	
		2019/2020	2020/2021	(Decrease)	
Acct #	ITEM	Budget	Budget	FY19/20 to FY20/21	Reason for changes
51000	SALARY	\$ 1,900,000	\$ 1,950,000	\$ 50,000	Includes an average 2.6% pay for performance increase
52000	EMPLOYEE BENEFITS	\$ 892,000	\$ 913,000	\$ 21,000	
52100	Employer FICA	\$ 145,000	\$ 150,000	5,000.00	
52200	Virginia Retirement System	\$ 125,000	\$ 130,000	5,000.00	
52300	Hospitalization Insurance	\$ 590,000	\$ 600,000	10,000.00	
52400	Group Life	\$ 27,000	\$ 28,000	1,000.00	
52450	Supplemental Group Life	\$ 1,500	\$ 1,500	0.00	
52500	Health Insurance Credit	\$ -	\$ -	0.00	
52700	Employee Promotions	\$ 3,500	\$ 3,500	0.00	
52900	OPEB Health Insuranc ARC Adj	\$ -	\$ -	0.00	
52952	Net Pension Adjustment		\$ -	0.00%	
53000	Contractual Services	\$ 369,600	\$ 448,000	\$ 78,400	Administrative Services increase related to 50% salary split with the ARWA for a new maintenance manager position.
53121	Auditing Services	\$ 12,500	\$ 12,500	\$0.00	Maintenance service contracts increase is due to a reclassification of general concrete repair from replacement to maintenance service contracts. Software support is related to actual costs related to increasing support contract costs, additional support contracts for network and server software, and reclassification of large software support contracts from Replacement to O&M.
53122	Accounting Services	\$ 7,000	\$ 7,500	\$500.00	
53123	Administrative Service	\$ 37,000	\$ 90,000	\$53,000.00	
53140	Consults - Engineering	\$ 50,000	\$ 50,000	\$0.00	
53145	Consults - General	\$ 25,000	\$ -	-\$25,000.00	
53150	Legal Services	\$ 50,000	\$ 50,000	\$0.00	
53152	Software Support	\$ 45,000	\$ 70,000	\$25,000.00	
53160	Medical	\$ 8,600	\$ 3,000	-\$5,600.00	
53162	Bank Service Charges	\$ 1,000	\$ 1,000	\$0.00	
53170	Payment in Lieu of Taxes (City of Petersburg)	\$ 33,500	\$ 33,500	\$0.00	
53190	Samples and Testing	\$ 44,500	\$ 43,000	-\$1,500.00	
53220	VPDES Permit Fee	\$ 10,500	\$ 12,500	\$2,000.00	
53320	Maintenance Service Contracts	\$ 20,000	\$ 50,000	\$30,000.00	
53600	Grounds Maintenance	\$ 25,000	\$ 25,000	\$0.00	
55000	Other Charges	\$ 974,400	\$ 998,000	\$ 23,600	
55050	Advertising	\$ 6,000	\$ 10,000	\$4,000.00	
55110	Electricity	\$ 425,000	\$ 450,000	\$25,000.00	
55120	Natural Gas	\$ 20,000	\$ 15,000	-\$5,000.00	
55130	Solid Waste	\$ 3,500	\$ 3,500	\$0.00	

55140	Water	\$ 8,000	\$ 8,500	\$500.00	
55150	Storm Water (City of Petersburg)	\$ 6,000	\$ 6,500	\$500.00	
55160	Biosolids Disposal	\$ 350,000	\$ 350,000	\$0.00	
55210	Postage and Freight	\$ 15,000	\$ 15,000	\$0.00	
55230	Telecommunications	\$ 16,500	\$ 16,500	\$0.00	
55308	General Liability Insurance	\$ 67,000	\$ 70,000	\$3,000.00	
55410	Lease/Rent of Equipment	\$ 11,000	\$ 11,000	\$0.00	
55530	Meals and Lodging	\$ 5,000	\$ 2,000	-\$3,000.00	
55540	Education and Training	\$ 19,400	\$ 20,000.00	\$600.00	
55550	Safety Supplies	\$ 22,000	\$ 20,000.00	-\$2,000.00	
56000	Materials and Supplies	\$ 1,205,700	\$ 1,192,000	\$ (13,700)	
56001	Office Supplies	\$ 15,000	\$ 15,000	\$0.00	
56004	Laboratory Supplies	\$ 52,000	\$ 55,000	\$3,000.00	
56005	Process Chemicals	\$ 560,000	\$ 575,000	\$15,000.00	
56006	Repair and Maintenance Supplies - IT	\$ 60,000	\$ 80,000	\$20,000.00	
56007	Repair and Maintenance Supplies - Shop	\$ 408,000	\$ 355,000	-\$53,000.00	
56008	Vehicle and Equipment Fuels	\$ 25,000	\$ 25,000	\$0.00	
56010	Janitorial Supplies	\$ 8,000	\$ 10,000	\$2,000.00	
56011	Uniforms	\$ 22,500	\$ 19,000	-\$3,500.00	
56012	Dues and Subscriptions	\$ 36,700	\$ 38,000	\$1,300.00	
56015	Small Equipment Purchases	\$ 8,500	\$ 10,000	\$1,500.00	
56016	Operation - Supplies - Maintenance	\$ 10,000	\$ 10,000	\$0.00	
57000	Equipment Replacement	\$ 593,000	\$ 538,000	\$ (55,000)	
58000	Nutrient Credit Purchases	\$ 525,000	\$ 550,000	\$ 25,000	
59000	Rate Stabilization Funds to be deposited to Capital Reserve Acct	\$ -		\$ -	
	Total(Operations & Maintenance)	\$ 6,459,700	\$ 6,589,000	\$ 129,300	
	Reserve policy (50% O&M)	\$ -	\$ -	\$ -	50% O&M reserves met
	ERRF (5% of Operations & Maintenance)	\$ -	\$ -	\$ -	Account is > \$2.5 m
	Capital Reserve Account	\$ 2,000,000	\$ 2,250,000	\$ 250,000	Used to offset future capital expenditures
	Debt Service	\$ -	\$ -	\$0	
	Total	\$ 8,459,700	\$ 8,839,000	\$ 379,300	

**South Central Wastewater Authority
Replacement Fund Budget - 57000
FY20/21**

Acct#	Proposed FY ITEM	Budget 19/20	Proposed Budget 20/21	INFORMATIONAL & PLANNING				Beyond	
				21/22	22/23	23/24	23/24	FY	Estimate
57010 - Machinery & Equipment	Emergency / Miscellaneous Repairs	\$ 95,000	\$ 105,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000		
	Replace Pump Bldg 3 MCC	\$ 20,000							
	Caustic Pumps Replacement		\$ 25,000	\$ -	\$ -	\$ -			
	Chlorihe Pump Room Rehab			\$ 60,000					
	New media for Scrubber #2		\$ 10,000						
	Electric Actuators at Grit Tank	\$ 8,000							
57020 - Instrumentation	Replace PLC3 (23 years old)	\$ 90,000							
	Replace PLC2 (24 years old)		\$ 80,000						
	Replace PLC 4 (25 years old)			\$ 80,000					
	RAS Flowmeter Signal Converters		\$ 8,000						
	New Phosphate Analyzer	\$ 20,000							
57030 - SCADA	Misc. SCADA/Communication Equipment	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000		
57040 - Computer Hardware & Software	Computer Equipment > \$5,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000		
57050 - Motor Vehicles	Operations 2001 Dodge Pickup	\$ 35,000							
	2007 Operations Colorado		\$ 35,000						
	2008 Trailblazer (Fleet)	\$ 40,000	\$ -						
	Case Loader (Big Loader)			\$ 160,000					
	4x4 Pickup - Replacement				\$ 40,000	\$ 40,000	\$ 40,000		
	2000 GMC Dump Truck			\$ 75,000					
	Front End Loader with Backhoe					\$ 60,000			
	Telescopic Forklift to replace crane				\$ 150,000				
	2001 GMC Dump Truck				\$ 75,000				
57060 - Construction	General Concrete Repair	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -		
	Roof Inspection/Repairs	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -		
	Roof Replacement - PB 5, Sodium Bi, Blower, Vehicle Storage, and Sodium Hypo			\$ 250,000					
	Upgrade Headworks Drain PS		\$ 250,000						
	New Headworks Air Compressors	\$ 60,000							
	Rehab Admin work areas	\$ 10,000							

	Security Perimeter Fence	\$	100,000						
	Generator and Utility Protective Relays Upgrade	\$	30,000						
	RAS Pumps						\$	1,000,000	
57080 - Fixtures and Furniture	Lab Cabinets and Countertop					\$	-	\$	50,000
TOTALS:		\$	593,000	\$	538,000	\$	775,000	\$	415,000
						\$	1,300,000	\$	190,000

NOTE: FY 20/21 TO BE APPROVED WITH BUDGET

**South Central Wastewater Authority
Nutrient Credit Purchase - Acct # 58100**

		FY19/20							
		INFORMATIONAL & PLANNING							
Acct# 58100	Budget 19/20	Proposed Budget 20/21	21/22	22/23	23/24	24/25	25/26	25/26	
ITEM									
Private Purchase - Henrico County									
Private Purchase - Chesterfield County	\$ 472,000	\$ 500,000	\$ 87,500	\$ 87,500	\$ 87,500	\$ 87,500	\$ 87,500	\$ 87,500	
Contengency - Exchange Purchase if needed	\$ 53,000	\$ 50,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	
Private or Exchange									
Totals	\$ 525,000	\$ 550,000	\$ 187,500	\$ 187,500	\$ 187,500	\$ 187,500	\$ -	\$ -	

NOTE: FY 20/21 TO BE APPROVED WITH BUDGET

**South Central Wastewater Authority
Capital Budget
FY19/20**

		INFORMATIONAL & PLANNING							
	Budget 19/20	Proposed Budget 20/21	21/22	22/23	23/24	24/25	25/26	26/27	
ITEM									
Nutrient Upgrade (3)		\$ 1,500,000	\$ 9,375,000	\$ 9,375,000	\$ 9,375,000	\$ 9,375,000			
Totals	\$ -	\$ 1,500,000	\$ 9,375,000	\$ 9,375,000	\$ 9,375,000	\$ 9,375,000	\$ -	\$ -	

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. Assumes \$75,000,000 with WQIF funding of 37,500,000.

SOUTH CENTRAL WASTEWATER AUTHORITY

FY 2020/2021 Budget

Proposed: January 16, 2020

Approved: _____

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:

\$6,589,000.00

Community	Petersburg	Colonial Heights	Chesterfield	Prince George	Dinwiddie
% O&M (1)	58.913%	18.079%	8.127%	6.330%	8.551%
O&M	\$ 3,881,756.74	\$ 1,191,237.24	\$ 535,473.07	\$ 417,102.76	\$ 563,430.19

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

Budget:

\$ -

%ERRF(2)	52.5%	20.0%	10.0%	7.5%	10.0%
ERRF	\$ -	\$ -	\$ -	\$ -	\$ -

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

Budget:

0

% Participation (3)	52.5%	20.0%	10.0%	7.5%	10.0%
Reserve Policy	\$ -	\$ -	\$ -	\$ -	\$ -

Capital Reserve Account (to offset future Capital Expenditures)

Budget:

\$ 2,250,000.00

% Participation	52.5%	20.0%	10.0%	7.5%	10.0%
Reserve Policy	\$ 1,181,250.00	\$ 450,000.00	\$ 225,000.00	\$ 168,750.00	\$ 225,000.00

Annual Total	\$ 5,063,006.74	\$ 1,641,237.24	\$ 760,473.07	\$ 585,852.76	\$ 788,430.19
O&M Due Monthly	\$ 323,479.73	\$ 99,269.77	\$ 44,622.76	\$ 34,758.56	\$ 46,952.52
ERRF Due Monthly	\$ -	\$ -	\$ -	\$ -	\$ -
Reserve policy Due Monthly	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Reserve Account	\$ 98,437.50	\$ 37,500.00	\$ 18,750.00	\$ 14,062.50	\$ 18,750.00
P&I Due Monthly	\$ -	\$ -	\$ -	\$ -	\$ -
Total Due Monthly	\$ 421,917.23	\$ 136,769.77	\$ 63,372.76	\$ 48,821.06	\$ 65,702.52

Notes:

(1) Participation percentage based on flow data for period from FY15 to FY19

(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 2020/2021 Budget

Proposed: January 16, 2020

Approved: _____

<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	58.913%	18.079%	8.127%	6.330%	8.551%	100.000%
Estimated Share of Operations & Maintenance	\$ 3,881,756.74	\$ 1,191,237.24	\$ 535,473.07	\$ 417,102.76	\$ 563,430.19	\$ 6,589,000.00
Share of Plant Capacity (%)	52.50%	20.00%	10.00%	7.50%	10.00%	100.00%
Share of Equipment Replacement Reserve Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserve Policy - Reserve Fund (50% O&M)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Reserve Account	\$ 1,181,250.00	\$ 450,000.00	\$ 225,000.00	\$ 168,750.00	\$ 225,000.00	\$ 2,250,000.00
Share of Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Monthly Amount	\$ 421,917.23	\$ 136,769.77	\$ 63,372.76	\$ 48,821.06	\$ 65,702.52	\$ 736,583.33
Annual Total	\$ 5,063,006.74	\$ 1,641,237.24	\$ 760,473.07	\$ 585,852.76	\$ 788,430.19	\$ 8,839,000.00
Electrical Credit						\$ -
Miscellaneous Revenue - PROPOSE THIS REVENUE IS DEPOSITED TO A CAPITAL RESERVE FUND						\$ -
Total Budget						\$ 8,839,000.00

Budget Comparison

	FY20/21 Proposed Budget	FY19/20 Budget	FY20/21 - FY19/20	
Locality	Revenue	Revenue	Difference	
City of Petersburg	\$ 5,063,007	\$ 4,771,204	\$ 291,803	6.12%
City of Colonial Heights	\$ 1,641,237	\$ 1,622,291	\$ 18,946	1.17%
Chesterfield County	\$ 760,473	\$ 729,702	\$ 30,771	4.22%
Prince George County	\$ 585,853	\$ 589,419	\$ (3,567)	-0.61%
Dinwiddie County	\$ 788,430	\$ 747,084	\$ 41,346	5.53%
Sub-totals	\$ 8,839,000	\$ 8,459,700	\$ 379,300	3.286%
Deferred Debt (Petersburg)	\$ -	\$ -	\$ -	
Deferred Debt (Colonial Heights)	\$ -	\$ -	\$ -	
Deferred Debt (Prince George)			\$ -	
Electrical Credit	\$ -	\$ -	\$ -	
Miscellaneous Revenue	\$ -	\$ -	\$ -	
Total Budget	\$ 8,839,000.00	\$ 8,459,700.00	\$ 379,300.00	

50% Reserve Policy:
Reserve Fund Calculation

SCWWA O&M Budget	Total expected reserves on June 30, 2020	Recommended 50% O&M Reserves	Charges required to achieve 50% reserves	Annual Charge
\$6,589,000	\$4,392,714.58	\$3,294,500.00	-\$1,098,214.58	0

RESOLUTION

OF THE SOUTH CENTRAL WASTEWATER AUTHORITY
APPROVING THE BUDGET FOR FISCAL YEAR 2021 AND
THE RELATED PAYMENT SCHEDULE

WHEREAS, in October, November and December of 2019 the staff of the South Central Wastewater Authority (the “Authority”) developed the Authority’s proposed budget and payment schedule for Fiscal Year 2021 and at the meeting held on January 16, 2020, presented the proposed budget and payment schedule to the Authority Board; and

WHEREAS, at the January 16, 2020 meeting the Authority Board provided its preliminary approval of the proposed budget and the proposed payment schedule for Fiscal Year 2021 and scheduled a public hearing to be held at this meeting held on March 12, 2020, in accordance with Section 10.2 of the Authority’s Bylaws and Virginia Code Section 15.2-5136(G); and

WHEREAS, the Authority Board held the public hearing on the proposed Fiscal Year 2021 budget and payment schedule at its meeting on March 12, 2020;

NOW, THEREFORE, BE IT RESOLVED that the Board of the South Central Wastewater Authority hereby approves (a) the Fiscal Year 2021 budget submitted as an attachment to this resolution and (b) the payment schedule for Fiscal Year 2021 as set forth below:

	FY2021 PAYMENTS
City of Petersburg	\$5,063,007
City of Colonial Heights	1,641,237
Chesterfield County	760,473
Prince George County	585,853
Dinwiddie County	788,430
TOTAL	\$8,839,000

BE IT FURTHER RESOLVED that the Authority Board acknowledges that pursuant to the wastewater service agreement in effect between the Authority and each of its five member jurisdictions, the payment schedule is subject to change during or after Fiscal Year 2021 based on, among other things, each member jurisdiction's actual use of the Authority's wastewater treatment facilities and the actual amount of revenues received and expenses incurred by the Authority during Fiscal Year 2021.



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EXHIBIT C

TO: Board of Directors

FROM: Robert B. Wilson, Executive Director
James C. Gordon, Assistant Director

DATE: March 20, 2020

SUBJECT: WQIF Funding Update

As of the date the Board package preparation, the language in the budget amendments differ between the House and Senate. The Senate language (Item 377 #1s) is consistent with what we have requested, 90% of project cost. The House language (Item 377 #4h) directs the Department of Environmental Quality to study alternatives to the WQIF grant criteria and determine how such factors as fiscal stress, medium household income and low-income ratepayer impacts might be considered. The House language also directs DEQ to report back at the end of the year.

Our lobbyists and staff have been in contact with Senator Morrissey's and Delegate Aird's staff. Both representatives are working hard to try to get the House language and the Senate language to agree. With adjournment on March 7th, we should have a direction forward to discuss at the March 12th meeting.

Any requested Board action will be contingent on the approval of the budget amendment language by the House and Senate.



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EXHIBIT D

TO: Board of Directors

FROM: Robert B. Wilson, Executive Director
James C. Gordon, Assistant Director

DATE: March 12, 2020

SUBJECT: Financial Policies Guidelines

As part of each budget cycle we are going to take this opportunity, annually, to review the Financial Policies. For this item, we will present how the Authority's revenue is split through the various accounts and show which financial policy governs how the revenue is managed. We have also provided the Balance Sheet, an excerpt from the October 19, 2017 work session minutes related to the Capital Reserve Account, and a copy of the approved January 18, 2018 resolution to establish the Capital Reserve Account. The Balance Sheet will be provided with each Board package. We also want to discuss if the Board wants any other financial or summary reports or spreadsheets to illustrate account and/or capital project balances.

No board action is requested.

Financial Policy Guidelines

South Central Wastewater Authority

Adopted: May 21, 2015



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FINANCIAL POLICY GUIDELINES – OBJECTIVES

This financial policy is a statement of the guidelines and goals that will influence and guide the financial management practice of the South Central Wastewater Authority (the “Authority”). A financial policy that is adopted, adhered to, and regularly reviewed is recognized as the foundation of sound financial management. Effective financial policy:

- Contributes significantly to the Authority's ability to prepare for and insulate itself from financial crisis by being able to better manage stressful financial internal and external events,
- Enhances the ability to obtain short-term and long-term credit financing by helping to achieve the highest credit and bond ratings possible,
- Promotes long-term financial stability by establishing clear and consistent guidelines,
- Directs attention to the total financial picture of the Authority rather than single issue areas, and
- Promotes the view of linking long-run financial planning with day-to-day operations.

To these ends, the following financial policy statements are presented.

OPERATING BUDGET POLICIES

1. The Authority will budget for all current operating expenditures to be paid for with current operating revenues.
2. The management and operations staff should, not only during the preparation of the budget but in the budget execution, use due care and promote cost savings and operating efficiencies at all times especially during periods of revenue shortfall due to low flows.
3. In preparing its annual budget, the Authority will base its revenue and expenditure projections on historical member flows while also taking into consideration current regional economic trends, events and developments in regulatory and environmental activities.
4. One-time or other special revenues will not be used to finance continuing Authority operations, but instead will be used for funding specific one-time projects or adding to Authority reserves.
5. The Authority will prepare monthly financial statements showing the progress of budget estimates compared to actual results. These monthly reports and the Authority's budgets are prepared on a cash flow or modified cash flow basis and differ from the final audited year end reports.
6. The Authority will annually prepare a Comprehensive Annual Financial Report (CAFR) that is audited by an independent CPA firm. The annual report is prepared to meet Generally Accepted Accounting Principles which is a full accrual basis of reporting.

CAPITAL IMPROVEMENT BUDGET POLICIES

1. The Authority will prepare and update annually for adoption, unless otherwise directed by the Board of Directors, a Capital Improvement Plan (CIP) that is developed for a five-year planning period. Future capital expenditures necessitated by changes in projected service demands or goals set by the Board, changes in the regulatory environment, maintenance and replacement of infrastructure that has reached its useful life will be included in capital planning projections.
2. The first year of the adopted five-year CIP will become the most current capital budget for the Authority and will serve as authorization for project execution by the Board. Additional Board action is required to move projects up to the first year of the plan subsequent to planned annual updated CIP adoption. Board action is required to add additional projects (authorizing the expending of capital resources) to the capital budget subsequent to the normal annual updating of the CIP.
3. The Authority will provide rate impacts and total debt service estimates resulting from the annual update of the CIP. These estimates are for planning purposes only, and are not rate setting measures by the Board of Directors when adopting the CIP. There exist several factors that may not be known at the time of providing such estimates such as pending cost share agreements between the Authority's Participating Jurisdictions and final funding details. The estimates provided will be used to coordinate development of the annual operating and debt service budget. Significant additional operating costs should be disclosed within project descriptions in the CIP.
4. The Authority will maintain all assets at a level adequate to protect the Authority's capital investment, meet permitted regulatory requirements, and to minimize future maintenance and replacement costs.
5. The Authority will attempt to determine the least costly and most flexible financing method for all new projects individually or as a whole, depending upon the specific direction of the Board, or what is in the best financial interest of the Authority as a whole.

DEBT POLICIES

1. The Authority will utilize a balanced approach to capital funding utilizing debt financing, CIP planned current-year revenues (pay-as-you-go), and planned capital reserve fund transfers. In the planning stage of the overall funding of the capital improvement plan, the Authority will target a minimum amount of equity funding of 10% of the capital improvement plan on a five-year rolling average.
2. The Authority will analyze all sources of debt financing each time there is a need for debt including but not limited to: Virginia Clean Water Revolving Loan Fund, Virginia Resources Authority Bond Programs, Authority stand alone bond issues on a competitive and negotiated basis and short-term financing when needed and advantageous.
3. When the Authority finances capital improvements or other projects by issuing bonds or entering into capital leases, it will repay the debt within a period not to exceed the expected average useful life of the project(s) and equipment being financed.
4. When assessing capital project funding approaches and the issuance of debt, the Authority will conduct a series of financial analyses to demonstrate its financial ability to incur such debt under its current rate structure, and to determine if, when and to what degree rate structures need to be adjusted in the event that the current rate structure is not able to accommodate new additional debt.
5. The Authority will review its current debt structure periodically as interest rates fluctuate and optional bond redemption dates arise for refunding or advance refunding opportunities. Refinancing opportunities that can produce a net present value savings of 3.0 percent generally should be considered as beneficial to the Authority, although other factors should be taken into account.
6. The Authority will set rates and charges so as to target a minimum debt service coverage on all senior parity indebtedness of 1.50 times. By way of example, a debt service coverage ratio of 1.50 times means that for every \$1.00 of senior parity indebtedness that is due from the Authority annually, the Authority has at least \$1.50 in revenues available with which to pay the debt service.

RESERVE POLICIES

The Authority has two primary levels or tiers of reserves and funds. Mostly distinguished by bond requirements and purpose of use, the following are descriptions of the purpose, defined amounts if any, and restrictions if any on these funds and reserves.

Tier 1 Reserves: The first tier of reserves are those required by the 1996 Authorizing Resolution that are “restricted” for specific purposes. The reserves required in this tier are strictly reviewed, enforced, and could be held by the Trustee. The Authority’s first priority relative to reserves will be to meet all requirements of these Tier 1 reserves. The Authority will fix charges to maintain these funds at the appropriate level as required by the 1996 Authorizing Resolution.

These funds include:

1. The Bond Fund, held by or at the direction of the Authority, including:
 - a. The Interest Account to be funded in an amount equal to one-sixth ($1/6^{\text{th}}$) of the interest requirement for the then current payment period as defined in the 1996 Authorizing Resolution; and
 - b. The Principal Account to be funded in an amount equal to one-sixth ($1/6^{\text{th}}$) of the principal requirement for the then current payment period to be funded in an amount equal to one-sixth ($1/6^{\text{th}}$) of the interest requirement for the then current payment period as defined in the 1996 Authorizing Resolution.
2. The Debt Service Reserve Fund, held by or at the direction of the Authority, in which with respect to the local bond there will be established:
 - a. The Colonial Heights RLF Reserve Account;
 - b. The Prince George RLF Reserve Account; and
 - c. The Rate Stabilization Fund, held by or at the direction of the Authority, as provided in Section 11.A.2 of the Authority’s Service Agreement.
3. The Subordinate Indebtedness Fund, held by or at the direction of the Authority as defined in the 1996 Authorizing Resolution.

4. The Equipment Replacement and Reserve Fund, held by or at the direction of the Authority, and funded with the amounts received from the Participating Subdivisions pursuant to Section 11.E of the Service Agreement and such other amounts as defined in the 1996 Authorizing Resolution.
5. Various Project Construction Funds, held by or at the direction of the Authority, funded with debt proceeds.

Tier 2 Reserves: The second tier funds or reserves are those required or permitted by the 1996 Authorizing Resolution, but either allow the Authority to hold these funds, are not narrowly “restricted” as to permitted uses or have more flexible required amounts.

These funds include:

1. The Operating Fund, held by the Authority, is the Authority’s daily cash account. The Authority shall deposit into the Operating Fund as received all Operating and Maintenance Charges under the Service Agreement.
2. The General Fund, held by the Authority, shall be funded by, immediately upon receipt, the amounts received from the Participating Subdivisions pursuant to Section 11.C and D of the Service Agreement and such additional amounts as may be provided by resolution of the Authority.

It is recommended that the Authority target a combined total of all Tier 2 reserve funds equal to at least 50% of the Authority’s annual Operating and Maintenance budget or the equivalent of at least 182.5 days operating cash on hand.

INVESTMENT POLICIES

The Authority shall invest its funds in accordance with its various bond documents, financial covenants and all applicable State Statutes.

South Central Wastewater Authority
Executive Review
Cash and Debt Highlights
As of February 29, 2020

Highlights: SCWWA Cash Positions	30-Jun-19	29-Feb-20	Change	Explanation
Unrestricted Cash & Investments:				
Petty Cash	\$ 250.00	\$ 250.00	\$ -	On-Hand Petty Cash for incidental expenses
Wells Fargo Operating Account	\$ 1,664,860.36	\$ 2,783,055.06	\$ 1,118,194.70	Financial Policy: All incoming O & M charges under service agreement
Wells Fargo Reserve Account	\$ 3,916,414.45	\$ 3,916,414.45	\$ -	Financial Policy: 50% of Authority's Annual O & M Budget
Wells Fargo-Capital Improvements Res	\$ 2,016,465.72	\$ -	\$ (2,016,465.72)	Old Capital Reserve Account-Closed once LGIP Accounts Established
Wells Fargo-Incoming Leachate	\$ 32,541.03	\$ 148,905.89	\$ 116,364.86	Incoming Leachate Revenues-Moved Quarterly to LGIP Account
Restricted Cash and Investments:				
LGIP-ERRF	\$ 2,710,467.97	\$ 2,710,467.97	\$ -	Resolution adopted by BOD, January 2018
LGIP-Capital Improvement Reserve	\$ 2,700,000.00	\$ 5,130,464.56	\$ 2,430,464.56	Resolution adopted by BOD, January 2018
Total Cash and Investments	\$ 13,040,999.53	\$ 14,689,557.93	\$ 1,648,558.40	

Mr. Massengill stated another reason Dinwiddie didn't vote on the Amended Service Agreement was that they knew Chesterfield wanted to make modifications and offer some friendly Amendments of which he doesn't think has been done yet. He stated they wanted to review those instead of taking them to the Board, have them approved inevitably knowing they wouldn't be approved by Chesterfield. He further stated his Chairman felt that wasn't necessary. Mr. Massengill stated if this is still an action item or an item that needs to be addressed, he would like to request Chesterfield make the modifications and send them to the members so we have something to work off of. He further stated if Chesterfield submits it and everybody agrees to it, we can take it back to our Councils and Boards and get it approved. Mr. Hayes stated at this point anyone could make a motion to make a change to the Amended Service Agreement and Mr. Massengill agreed. He stated that Chesterfield indicated they had some issues and some good recommendations and they are waiting to see those recommendations. He further stated he could take it back to the Board and it would be 4-1 for an extension but we would still have to go back again. Mr. Hayes stated one issue was that the Amendment wasn't clear with the limitations on the Amendment as there were two different terms interpreted two different ways. He further stated there were other issues we've talked about for years about pump stations, etc. Mr. Ashcraft suggested Mr. Hayes talk with Dr. Casey and see if the information received from the report will cause them to move forward any quicker with anything to do with the Amended Service Agreement, and if it doesn't, just let everyone know so that we can do something different as right now, it is kind of sitting out there. He further stated, we still have this Amendment to the existing Service Agreement, three jurisdictions have approved and two have not, pending a lot of circumstances. He stated if we are not going to move on that and do something different, then we have to start addressing it.

4. **Dam Raise Committee (Casey & Massengill): Discussion as needed**

This item to be updated at next regular Board meeting.

5. **SCWWA "True-Up" Committee (Smith & Ashcraft): Discussion as needed**

Mr. Smith reported on the hand-out he gave to members. He stated the chart has three options following up from the discussion that we had previously about what to do with the additional leachate revenue and the possibility of setting up a capital reserve. He further stated it would be a new opportunity for us here with future needs that would be coming down the road that staff has brought to our attention. He reported this chart shows the original option of each locality under Option #1 with them getting a share back from the overage that has been paid in for Operations and Maintenance and the full \$1.9 million additional leachate revenue potentially going to that capital fund. He stated Option #2 is very similar and would be at Petersburg's option, if they wanted to apply some of that funds that they would have received to offset past monies due. He further stated that Option #3 is another one for discussion and consideration in which the total amount going to the potential capital improvement reserve would be reduced and part of that funding could help Petersburg with offsetting their previous amounts due and that same percentage for Petersburg's amount of the total \$1.9 million being applied to each locality, so each locality received some additional funding and that is about a \$400,000 difference from where the original \$1.9 million would have been. He stated he had the opportunity to have a conversation with Mr. Anderson about the Service Agreement and about us moving forward with this without doing an Amendment. Mr. Anderson stated it was just a follow up to the conversation we had at the previous meeting and the Agreement right now, unlike the situation with ARWA where we do have creditors/lenders that would oversee what we do with the Service Agreement. He stated his advice has been this could be done on a Board level at SCWWA, and if there is a need down the road to make an Amendment, we are going to be facing Amendments for any future capital project. He further stated that we just add this to the list and bring it up then. He stated this leachate was never contemplated in the original Agreement. Mr. Smith stated obviously that doesn't mean if somebody raised a concern or challenged us that we would necessarily win that regard, but the Agreement is not as ambiguous regarding this particular topic and Mr. Anderson agreed. Mr. Smith suggested that we pursue one of the first two options, but also suggested that we go ahead and set this fund up without doing the Service Agreement Amendment and that we look at it on an annual basis at this time of the year we are getting the numbers back so that we can evaluate. He stated it might be a year to year thing that we determine how much of the surplus funds go in which direction. Dr. Wichser stated the Authority recommends Option #2, and this would be favorable to the City of Petersburg that will bring them up-to-date on their arrears. He further stated everyone gets a little payment back. Dr. Wichser stated that SCWWA doesn't presently have any funds or reserves for capital improvements. He further stated that there is one capital project that we estimated that is going to come in at \$5.5 million to \$6 million, and that is upgrading the Solids Building equipment. He stated if we take this excess money and set up a capital improvement reserve now, we should be able to fund that project through design and construction with this cash. He further stated; we then phase the nutrient upgrade project that we expect in the 2022 to 2024 era, and we won't be facing potentially a \$50 to \$70 million project. We might be facing a \$35 to \$40 million project instead. He stated we are going after what we can get at the plant using cash. He further stated his goal was to get this capital improvement reserve fund set up. He stated he can't guarantee leachate forever, so we are taking advantage right now while we have it.

Mr. Ashcraft asked if this was time sensitive and Dr. Wichser replied yes due to the need to complete the annual financial audit numbers.

Upon a motion made by Mr. Smith and seconded by Ms. Ferrell-Benavides the following resolution was adopted:

RESOLVED, that the Board proceed with Option #2 as outlined in the Staff Table which will result in funds going to or due from the localities as shown on the attachment with the miscellaneous revenues in the amount of \$1.9 plus million going into a newly established capital improvement reserve from the leachate revenues:

For: 5 Against: 0 Abstain: 0

6. **Other Items from Committee Members Not on Agenda**

Ms. Ferrell-Benavides introduced March Altman as the new Deputy City Manager for Operations of Petersburg.

7. **Adjourn**

Upon a motion made by Mr. Massengill and seconded by Mr. Smith the meeting was adjourned at 3:00 p.m.

The next regularly scheduled Board meeting is Thursday, November 16, 2017 at 2:00 p.m. at the South Central Wastewater Authority.

MINUTES APPROVED:



Kevin Massengill
ARWA Secretary/Treasurer



George Hayes
SCWWA Secretary/Treasurer

**RESOLUTION OF THE BOARD OF THE SOUTH CENTRAL WASTEWATER
AUTHORITY AUTHORIZING THE ESTABLISHMENT OF THE CAPITAL RESERVE
ACCOUNT AND THE APPLICATION OF CERTAIN FUNDS
IN SUCH ACCOUNT IN FISCAL YEAR 2017-2018**

A. On May 21, 2015, the Board of the South Central Wastewater Authority (the "Authority") adopted the Financial Policy Guidelines (the "Financial Policies") prepared by the Authority's staff and financial advisor.

B. Under the section entitled "Operating Budget Policies," the Financial Policies provide, among other things, that (i) the Authority will budget for all current operating and maintenance costs ("operating expenses") to be paid for with current operating revenues and (ii) one-time or other special revenues will not be used to financing continuing Authority operations, but instead will be used for funding specific one-time projects or adding to Authority reserves.

C. For the past several years the Authority has been collecting and treating landfill leachate from certain central Virginia landfills.

D. The revenues from leachate treatment have been used to pay Authority operating expenses and have been critical in sustaining the Authority through periods of cash shortfalls; however, the Authority's financial condition has stabilized and the Board has recognized that leachate treatment revenue stream is uncertain and should henceforth be treated more like the one-time or special revenues described in the Financial Policies.

E. The Authority is currently holding a balance of approximately \$1,989,616 in leachate revenues received in the current Fiscal Year 2017-2018 and past Fiscal Years that to date have not been budgeted or otherwise required to be used to pay Authority operating expenses.

F. The uncertainty of the leachate revenue stream has been demonstrated by the recent decline from \$125,000-160,000 per month to approximately \$10,000-12,500 per month, which Authority staff has attributed to the start-up of an advanced landfill leachate treatment facility in Sussex County.

G. The Authority's budget for Fiscal Year 2017-2018 projected that the Authority would receive \$1,385,000 in leachate revenues, all of which are to be used to pay Authority operating expenses.

H. If current trends continue, the reduction in leachate revenues will produce an approximately \$600,000 shortfall in total revenues over total operating expenses.

I. Authority staff is recommending an addition to the Financial Policies to authorize the establishment of a fund or account (to be referenced below as the "Capital Reserve Account") into which the leachate revenues described in Recital E and all future leachate revenues and other revenues not paid by the member jurisdictions pursuant to the Service Agreement (collectively, the "Special Revenues") would be deposited and held for use only with Board approval to fund future capital improvement projects or to pay Authority operating expenses in the event of unanticipated financial emergencies, but that the Special Revenues not be programmed for the payment of Authority operating expenses in the budgets for Fiscal Years 2018-2019 and thereafter.

J. In addition, Authority staff recommends that the Board authorize the expenditure of up to \$600,000 of the balance in the Capital Reserve Account to pay Authority operating expenses in Fiscal Year 2017-2018.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF THE SOUTH CENTRAL WASTEWATER AUTHORITY THAT:

1. Establishment of Capital Reserve Account. The Board hereby authorizes and directs the Executive Director to establish the Capital Reserve Account as described herein as an account within the General Fund described in the Financial Policies. The accumulated leachate revenues described in Recital E above and all future Special Revenues shall be deposited into the Capital Reserve Account. Amounts in the Capital Reserve Account may be spent only with Board approval to fund future capital improvement projects or to pay Authority operating expenses in the event of unanticipated financial emergencies. The balance in the Capital Reserve Account shall not be counted towards the target balance for all Tier 2 reserve funds described under the section entitled "Reserve Policies" in the Financial Policies of at least 50% of the Authority's annual operating expense budget or the equivalent of 182.5 days of operating cash on hand.

2. Authorization of Expenditures from the Capital Reserve Account. To address the recent steep reduction in leachate revenues and the possible adverse effects on the Authority's budget, the Board hereby authorizes the use of up to \$600,000 of the balance in the Capital Reserve Account to pay the Authority's budgeted operating expenses in Fiscal Year 2017-2018. No other expenditures from the Capital Reserve Account are authorized at this time.

3. Direction to Staff in Preparing Budgets. The Board hereby directs Authority staff not to provide or program the use of any Special Revenues for the payment of Authority operating expenses in the budgets for Fiscal Years 2018-2019 and thereafter. All such Special Revenues shall be directed into the Capital Reserve Account.

4. Effective Date. This Resolution shall take effect immediately.



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MEMORANDUM

TO: SOUTH CENTRAL WASTEWATER AUTHORITY BOARD OF DIRECTORS

FROM: ROBERT B. WILSON, P.E., EXECUTIVE DIRECTOR
JAMES C. GORDON, ASST. EXECUTIVE DIRECTOR

SUBJECT: OPERATING & FINANCIAL STATUS REPORT

DATE: MARCH 12, 2020

Operating Status Report:

General:

- The next scheduled Board of Directors meeting is May 14, 2020 at 2:00 pm and will be held at the Appomattox River Water Authority
- The annual chemical bids were awarded for February 2020 – February 2021.
- SARA Title III Tier II reports were submitted as required annually.

Status of Nutrient Waste-load

- Total Phosphorus (TP)
 - Waste-load allocation Total Phosphorus: 28,404 lbs. on a calendar basis
 - Total actual waste-load thru February 2020 was 4,484 lbs. (Proportionally, the SCWWA was 250 pounds under the proportional waste-load allocation)
- Total Nitrogen (TN)
 - Waste-load allocation Total Nitrogen: 350,239 lbs. on a calendar basis
 - Total actual waste-load thru February 2020 was 67,632 lbs. (Proportionally, the SCWWA was 9,259 pounds over the annual waste-load allocation)
 - Note: The SCWWA has a contract to purchasing 171,694 credits for 2020 to meet our waste-load requirement

Operations:

- Plant effluent met all discharge permit requirements for January and February 2020. Copies of the discharge monitoring reports (DMR's) for the VPDES permit and the general permit are available
- NutriBlend has been able to maintain minimal biosolids onsite. We have notified Petersburg when hauling has been approved over the weekend. To our knowledge there have been no issues.
- All annual operating reports have been submitted as required.
- Primary tank 3 chain and flights has been experiencing issues. Operation and Maintenance Staff have been working to resolve the issue related to a failing shear pin. The operation of the plant has not been adversely affected by this issue.

Maintenance:

- The new alum feed pumps have been installed and temporary feed lines have been run to the old feed pumps until the variable frequency drives for the new pumps have been setup. Once the drives are setup new feed lines will be run to the new pumps.

- Maintenance have been closely inspecting the primary tank 3 chain and flight system to resolve the shear pin issue. Several adjustments have been made to resolve the issue. Operations currently has Primary 3 in service and it has been running for almost a week.
- The new rotary lobe air compressors and new air dryer have been installed and are currently in operation.

Instrumentation

- The variable frequency drives for the alum building have been setup for the new alum feed pumps. Operations is currently testing the new feed system.
- New variable frequency drives for the gravity belt thickener feed pumps are being installed and relocated to the electrical building. The Programmable Logic Controller (PLC) for the feed pumps is also being relocated to the electrical building. Both the PLC and the drives are currently located in Pump Building one that is not conditioned. Providing a conditioned environment for the systems should improve their longevity and reliability.
- The new Dechlor and Caustic PLCs have been built and signal wiring is being pulled. SCWWA will install and Emerge will integrate the new PLCs with the SCADA system.
- PLC3 is currently being built by Emerge. This PLC, among other things, controls the Hypochlorite system and the blowers. This PLC was installed with the last upgrade and is 25+ years old.

Laboratory

- The laboratory was inspected by the Virginia Department of Health (VDH) on January 14, 2020. The inspection was scheduled for two days but everything was able to be completed in one day. There were some minor findings but overall the inspector was very pleased with the laboratory's overall operations. VDH has accepted the Corrective Action Plan submitted by the lab.
- The 2019 Pretreatment Report has been submitted as required.
- The semiannual Whole Effluent Toxicity Testing is scheduled for the week of March 8th. SCWWA has coordinated testing with the ARWA and Coastal Bioanalyst will begin to pick up both samples from the ARWA beginning March 9th. In the past, an Authority employee has delivered the samples to Gloucester, VA.

Financial Status Report:

Following is the Balance Sheet and Income Statement as of February 2020.

South Central Wastewater Authority
For Month Ending February 29, 2020

Assets

Current Assets

Petty Cash	\$ 250
Wells Fargo Operating Account	\$ 2,783,055
Total Unrestricted Cash	\$ 2,783,305

Wells Fargo Reserve	\$ 3,916,414
Wells Fargo Capital Improvement Reserve	\$ 148,906
ERRF	\$ -
LGIP-ERRF	\$ 2,710,468
LGIP_Capital Improvements Reserve	\$ 5,130,465
Total Restricted Cash	\$ 11,906,253

Total Checking/Savings	\$ 14,689,558
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Accounts Receivable	\$ 136,171
Prepaid Expenses	\$ 49,217
Long Term Receivable (Petgs/Legal)	\$ -

Total Current Assets	\$ 14,874,946
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Fixed Assets

Sewer System Plant	\$ 34,919,518
Equipment & Vehicles	\$ 2,527,576
Plant Machinery	\$ 7,027,662
Construction in Progress	\$ 831,140
Land	\$ 92,968
Accumulated Depreciation	\$ (27,836,397)

Total Fixed Assets	\$ 17,562,467
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Other Assets

Inventory	\$ 753,246
Def Out Res-Post ER Pension Con	\$ 89,435
Deferred Outflows-GLI OPEB	\$ 20,958

Total Other Assets	\$ 863,639
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Total Assets

\$ 33,301,053

Liabilities & Equity

Current Liabilities

Accounts Payable	\$ 15,581
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Total Current Liabilities	\$ 15,581
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Other Current Liabilities

Payroll Accruals	\$ 219,651
Retainage Payable	\$ -
Suspense-Clearing Account	\$ 350,000
Refunds Due Member Localities	\$ -

Total Other Current Liabilities	\$ 569,651
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Long Term Liabilities

Net OPEB Obligation	\$ 76,101
Net OPEB Liability-GLI	\$ 139,000
Def Infl-OPEB-Chg of Assumption	\$ 60,071
Deferred Inflows-GLI OPEB	\$ 13,000
Def Inf Res-Net Dif Pension Inv	\$ 56,766
Def Inf Res-Pens Chg Assumption	\$ 43,774
Def Inf Res-Pens Dif Proj/Act E	\$ 39,690
Net Pension Liability	\$ 81,482

Total Long-Term Liabilities	\$ 509,884
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Total Liabilities

\$ 1,095,116

Equity

Retained Earnings	\$ 15,957,686
Initial Locality Contribution Cap.	\$ 14,166,822

Net Income	\$ 2,081,428
	\$ 32,205,936

Total Equity

Total Liabilities & Equity

\$ 33,301,053

South Central Wastewater Authority
YTD Income Statement for the period ending February 29, 2020

Wastewater Rate Center

Revenues and Expenses Summary

Operating Budget vs. Actual

Revenues

	<i>Budget</i> <i>FY 19/20</i>	<i>Budget</i> <i>Year-to-Date</i>	<i>Actual</i> <i>Year-to-Date</i>	<i>YTD Budget</i> <i>vs. Actual</i>	<i>Variance</i> <i>Percentage</i>
Septage/Misc Revenue	\$ -	\$ -	\$ 434,359	\$ 434,359	#DIV/0!
O&M Revenue	\$ 8,459,700	\$ 5,639,800	\$ 5,639,800	\$ (0)	0.00%
Reserve Policy	\$ -	\$ -	\$ -	\$ -	#DIV/0!
ER&RF Revenue	\$ -	\$ -	\$ -	\$ -	#DIV/0!
Total Operating Revenues	\$ 8,459,700	\$ 5,639,800	\$ 6,074,159	\$ 434,359	7.70%

Expenses

Personnel Cost	\$ 2,792,000	\$ 1,861,333	\$ 1,781,110	\$ (80,223)	-4.31%
Contractual/Professional Services	\$ 375,600	\$ 244,233	\$ 402,233	\$ 158,000	64.69%
Utilities	\$ 462,500	\$ 308,333	\$ 295,919	\$ (12,414)	-4.03%
Communication/Postage/Freight	\$ 31,500	\$ 21,000	\$ 20,611	\$ (389)	-1.85%
Office/Lab/Purification Supplies	\$ 75,000	\$ 50,000	\$ 43,843	\$ (6,157)	-12.31%
Insurance	\$ 67,000	\$ 67,000	\$ 65,556	\$ (1,444)	-2.16%
Lease/Rental Equipment	\$ 11,000	\$ 7,333	\$ 4,474	\$ (2,859)	-38.99%
Travel/Training/Dues	\$ 61,100	\$ 40,733	\$ 26,688	\$ (14,045)	-34.48%
Safety/Uniforms	\$ 44,500	\$ 29,667	\$ 36,550	\$ 6,884	23.20%
Chemicals/Sludge Disposal	\$ 910,000	\$ 606,667	\$ 488,851	\$ (117,816)	-19.42%
Repair/Maintenance Parts & Supplies	\$ 511,500	\$ 341,000	\$ 276,496	\$ (64,504)	-18.92%
Total Operating Expenses	\$ 5,341,700	\$ 3,577,300	\$ 3,442,333	\$ (134,967)	-3.77%
Operating Suplus/(Deficit)	\$ 3,118,000	\$ 2,062,500	\$ 2,631,826	\$ 569,326	27.60%

Replacement Outlay Budget vs. Actual

Machinery & Equipment	\$ 123,000	\$ 82,000	\$ 100,692	\$ 18,692	22.79%
Instrumentation	\$ 110,000	\$ 73,333	\$ 10,531	\$ (62,803)	-85.64%
SCADA	\$ 15,000	\$ 10,000	\$ -	\$ (10,000)	-100.00%
Computer Equipment	\$ 10,000	\$ 6,667	\$ -	\$ (6,667)	-100.00%
Motor Vehicles	\$ 75,000	\$ 50,000	\$ 73,253	\$ 23,253	46.51%
Construction	\$ 260,000	\$ 173,333	\$ 217,147	\$ 43,814	25.28%
Special Studies	\$ -	\$ -	\$ -	\$ -	#DIV/0!
Total Replacement Outlay	\$ 593,000	\$ 395,333	\$ 401,622	\$ 6,289	1.59%

Other Income/Expense Budget vs. Actual

Nutrient Credit Purchases (Expense)	\$ 525,000	\$ 350,000	\$ 350,000	\$ -	0.00%
Nutrient Reduction	\$ -	\$ -	\$ -	\$ -	#DIV/0!
Interest-Income	\$ -	\$ -	\$ 99,003	\$ 99,003	#DIV/0!
Alum Litigation Proceeds (Income)	\$ -	\$ -	\$ 102,221	\$ 102,221	#DIV/0!

South Central Wastewater Authority
Executive Review
Cash and Debt Highlights
As of February 29, 2020

Highlights: SCWWA Cash Positions	30-Jun-19	29-Feb-20	Change	Explanation
Unrestricted Cash & Investments:				
Petty Cash	\$ 250.00	\$ 250.00	\$ -	On-Hand Petty Cash for incidental expenses
Wells Fargo Operating Account	\$ 1,664,860.36	\$ 2,783,055.06	\$ 1,118,194.70	Financial Policy: All incoming O & M charges under service agreement
Wells Fargo Reserve Account	\$ 3,916,414.45	\$ 3,916,414.45	\$ -	Financial Policy: 50% of Authority's Annual O & M Budget
Wells Fargo-Capital Improvements Res	\$ 2,016,465.72	\$ -	\$ (2,016,465.72)	Old Capital Reserve Account-Closed once LGIP Accounts Established
Wells Fargo-Incoming Leachate	\$ 32,541.03	\$ 148,905.89	\$ 116,364.86	Incoming Leachate Revenues-Moved Quarterly to LGIP Account
Restricted Cash and Investments:				
LGIP-ERRF	\$ 2,710,467.97	\$ 2,710,467.97	\$ -	Resolution adopted by BOD, January 2018
LGIP-Capital Improvement Reserve	\$ 2,700,000.00	\$ 5,130,464.56	\$ 2,430,464.56	Resolution adopted by BOD, January 2018
Total Cash and Investments	\$ 13,040,999.53	\$ 14,689,557.93	\$ 1,648,558.40	



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MEMORANDUM

TO: SOUTH CENTRAL WASTEWATER AUTHORITY BOARD OF DIRECTORS

FROM: ROBERT B. WILSON, P.E., EXECUTIVE DIRECTOR
JAMES C. GORDON, ASSISTANT EXECUTIVE DIRECTOR

SUBJECT: STATUS REPORT – ON-GOING PROJECTS

DATE: MARCH 12, 2020

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

Enhanced BNR Preliminary Engineering Report (PER)

- Final PER and Water Quality Improvement Fund (WQIF) grant application revisions are being made. We anticipate submittal of both the PER and WQIF application in March, 2020.



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MEMORANDUM

TO: SOUTH CENTRAL WASTEWATER AUTHORITY BOARD OF DIRECTORS

FROM: ROBERT B. WILSON, P.E., EXECUTIVE DIRECTOR
 JAMES C. GORDON, ASSISTANT EXECUTIVE DIRECTOR

SUBJECT: FLOW REPORT

DATE: MARCH 12, 2020

Below is the rainfall and flow information through February 2020.

Month	Rainfall (inches)	Average Flow (mgd)
February 2019	4.57	19.594
March 2019	4.55	19.236
April 2019	3.79	14.265
May 2019	3.54	11.172
June 2019	4.23	10.398
July 2019	4.24	10.254
August 2019	4.90	9.785
September 2019	0.39	10.426
October 2019	4.66	10.166
November 2019	2.28	10.148
December 2019	3.11	11.071
January 2020	2.60	10.989
February 2020	4.55	15.347

PRIMARY FLOW DATA

February	2020	2019	2018	2017	2016	2015	2014
Minimum (mgd)	9.982	13.940	10.568	9.798	14.561	10.142	12.318
Maximum (mgd)	26.450	38.259	16.815	12.545	33.093	17.677	24.431
Average (mgd)	15.347	19.594	13.606	10.873	20.289	12.858	15.361
Rainfall (inches)	4.55	4.57	2.64	1.03	5.31	2.59	3.11

South Central Wastewater Authority
Leachate Truck Log

Current Max # of WM Trucks Allowed per agreement	16
--	----

Date	Origination Site		Total Combined Trucks per day
	# from Amelia	# from Charles City	
1/1/2020			
1/2/2020	6	0	6
1/3/2020	6	0	6
1/4/2020			
1/5/2020			
1/6/2020	6	0	6
1/7/2020	6	0	6
1/8/2020	5	0	5
1/9/2020	6	0	6
1/10/2020	6	0	6
1/11/2020			
1/12/2020			
1/13/2020	5	0	5
1/14/2020	5	0	5
1/15/2020	5	0	5
1/16/2020	5	0	5
1/17/2020	5	0	5
1/18/2020			
1/19/2020			
1/20/2020	5	0	5
1/21/2020	5	0	5
1/22/2020	5	0	5
1/23/2020	5	0	5
1/24/2020	5	0	5
1/25/2020			
1/26/2020			
1/27/2020	5	0	5
1/28/2020	5	0	5
1/29/2020	5	0	5
1/30/2020	5	0	5
1/31/2020	5	0	5
Total	116	0	116

Notes:

- 1) On average each truck offloaded 6,665 gallons of leachate
- 2) The agreement with Waste Management is for \$0.095/gallon; on average the charge to offload a truck is \$633
- 3) Total leachate revenue invoiced for January 2019 is \$71,404.00
- 4) Since 1/18/2019 no truck have been received from Charles City

South Central Wastewater Authority
Leachate Truck Log

Current Max # of WM Trucks Allowed per agreement	16
--	----

Date	Origination Site		Total Combined Trucks per day
	# from Amelia	# from Charles City	
2/1/2020			
2/2/2020			
2/3/2020	5	0	5
2/4/2020	5	0	5
2/5/2020	5	0	5
2/6/2020	4	0	4
2/7/2020	5	0	5
2/8/2020			
2/9/2020			
2/10/2020	5	0	5
2/11/2020	4	0	4
2/12/2020	5	0	5
2/13/2020	5	0	5
2/14/2020	5	0	5
2/15/2020			
2/16/2020			
2/17/2020	5	0	5
2/18/2020	5	0	5
2/19/2020	4	0	4
2/20/2020	5	0	5
2/21/2020	5	0	5
2/22/2020			
2/23/2020			
2/24/2020	5	0	5
2/25/2020	4	0	4
2/26/2020	5	0	5
2/27/2020	6	0	6
2/28/2020	5	0	5
2/29/2020			
Total	97	0	97

Notes:

- 1) On average each truck offloaded 6,665 gallons of leachate
- 2) The agreement with Waste Management is for \$0.095/gallon; on average the charge to offload a truck is \$633
- 3) Total leachate revenue for February was \$60,491.99



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EXHIBIT I

TO: Board of Directors

FROM: Robert B. Wilson, Executive Director
James C. Gordon, Assistant Executive Director

DATE: March 12, 2020

SUBJECT: Discussion of Proposed Bylaws Amendment

Mr. Anderson will present a revision to the bylaws with respect to advertising the budget for the public hearing. The advertising requirements for a public hearing have been reduced in the Virginia Water and Waste Authorities Act (VWWAA). Since the Authority is governed by the VWWAA, there is no need to have this specific language for the public hearing requirements in the bylaws.

A copy of the current bylaws and the proposed changes are attached. The requested change is to remove Article X, paragraph 10.2.

Board Action Requested:

Staff requests that the Board consider removing Article X, paragraph 10.2 from the bylaws.

SOUTH CENTRAL WASTEWATER AUTHORITY

- RESOLUTION -

APPROVING AMENDMENTS TO THE BYLAWS

March 12, 2020

WHEREAS, Section 10.2 of Article X of the bylaws (the “Bylaws”) of the South Central Wastewater Authority (“SCWWA”) sets forth detailed provisions for publication of the notice of and the holding of a public hearing before SCWWA’s adoption of the budget for each fiscal year; and

WHEREAS, counsel to SCWWA has noted that since the last revisions to the Bylaws in 2011 the General Assembly has amended Section 15.2-5136 of the Virginia Water and Waste Authorities Act to simplify and streamline the procedures for publishing notice of and holding a public hearing regarding proposed rates, fees and charges before adoption by an authority and that Section 10.2 of the Bylaws and both staff and counsel to SCWWA have recommended that the Bylaws be amended to delete Section 10.2, which will result in SCWWA following only the notice and public hearing requirements of Section 15.2-5136; and

After careful consideration to further the public purposes for which SCWWA was created, NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF THE SOUTH CENTRAL WASTEWATER AUTHORITY THAT:

1. Amendment to Bylaws. Article X of the Bylaws is hereby amended to read as follows:

ARTICLE X – FISCAL YEAR

10.1 Fiscal Year. The fiscal year of the Authority shall be July 1 to June 30 of the following year.

10.2 Reserved.

2. Effective Date. This Resolution shall take effect immediately.

SOUTH CENTRAL WASTEWATER AUTHORITY

BYLAWS

ARTICLE I - PREAMBLE AND POWERS

- 1.1 The Act. Subject to the Articles of Incorporation, the South Central Wastewater Authority (the "Authority") shall have all of the rights, powers and duties and shall be subject to the limitations and restrictions set forth in Virginia Water and Waste Authorities Act, Chapter 51, Title 15.2 of the Code of Virginia of 1950, as amended (the "Act"). These bylaws are made pursuant to the authority contained in Section 15.2-5114 of the Act.
- 1.2 Certificate of Incorporation. The State Corporation Commission approved the creation of the Authority on March 11, 1996, by issuing to the Authority the certificate of incorporation.
- 1.3 Corporate Life. As authorized by Section 15.2-5114 of the Act, the Authority may exist for a term of 50 years from March 11, 1996, and for such further or further periods as may from to time be provided by appropriate resolutions of the City Councils and Boards of Supervisors (each a "Governing Body" and, collectively, the "Governing Bodies") of the Cities of Petersburg and Colonial Heights and the Counties of Chesterfield, Dinwiddie and Prince George (collectively, the "Participating Localities"). Fifty years from March 11, 1996, is March 11, 2046.

ARTICLE II – BOARD MEMBERS

- 2.1 Members. The Board of the Authority ("Board") shall consist of five members (each, a "Member" and, collectively, the "Members"). Each Governing Body shall appoint one Member. Members are to be appointed for a stated term of up to four years and may be reappointed.
- 2.2 Alternate Members. Each Governing Body may appoint one or more alternate members (each, an "Alternate Member" and, collectively, the "Alternate Members") in the same manner as it appoints a Member. The Alternate Member shall have the same term as the Member. An Alternate Member's term shall not expire because of the Member's death, disqualification or resignation. If the Member is not present at a Board meeting, the Alternate Member shall have all of the voting and other rights of the Member and shall be counted as a Member for the purposes of establishing a quorum.

ARTICLE III – MEETINGS

- 3.1 **Regular Meetings.** Regular meetings of the Board shall be held on the third Thursday of each month at the Appomattox River Water Authority's principal office, 21300 Chesdin Road, Petersburg, Virginia 23803. Each regular meeting shall commence immediately after the conclusion of the regular monthly meeting of the Board of the Appomattox River Water Authority commencing at 2:00 PM on the same date and at the same location. In addition, the Board may by resolution (i) change the date, frequency, time or place of any regular meeting and (ii) adjourn any meeting to a different date, time or place, provided that the different date, time and place is determined and announced at the meeting before adjournment. In addition, the Chairman may cancel a regular meeting by giving notice to all Members and Alternate Members if, after consultation with the Executive Director, the Chairman determines that there is no business to come before the Board at that meeting. The notice of cancelation of a regular meeting by the Chairman must be provided not fewer than five days before the scheduled date of the canceled meeting. The November regular meeting shall be the annual meeting unless the Board by resolution establishes another date for the annual meeting.
- 3.2 **Special Meetings.** Special meetings may be called by the Chairman, or his or her delegate, or by any two Members of the Board upon 24 hours notice to all Members and Alternate Members. Such notice shall include the time, date, place and purpose or purposes of such special meeting. An authorized purpose may include the holding of a public hearing.
- 3.3 **Emergency Meetings.** Emergency meetings may be called by the Chairman, or his or her delegate, upon four hours notice to all Members and Alternate Members. Such notice shall include the time, date, place and purpose or purposes of such emergency meeting. The declaration of emergency must be approved by affirmative vote of the Members at the emergency meeting.
- 3.4 **Quorum.** A majority of the Members of the Board shall constitute a quorum (that is, the presence of three of the five Members will constitute a quorum).
- 3.5 **Voting.** Each Member of the Board shall be entitled to one vote on matters before the Board. A vote of the majority of Members is necessary for any action taken by the Board (that is, three affirmative votes are necessary no matter how many Members are present).
- 3.6 **Regular Meeting – Order of Business.** The regular meeting order of business shall be: 1) Calling the roll, 2) Reading, correcting and approving the minutes of the preceding meeting or meetings, 3) Public comment and hearing period, 4) Executive Director's Report, 5) Attorney's items, 6) Closed Meeting (if needed), and 7) Member's items. The Board may by resolution revise the order of business at any regular meeting.

- 3.7 Special and Emergency Meeting Order of Business. The special meeting order of business shall be: 1) Calling the roll and 2) The purpose or purposes for which the special meeting was called as stated in the notice provided pursuant to Section 3.2 above. The emergency meeting order of business shall be: 1) Calling the roll, 2) Consideration of approval of declaration of emergency, and 3) if the declaration of emergency is approved, the purpose or purposes for which the emergency meeting was called as stated in the notice provided pursuant to Section 3.3 above.

ARTICLE IV – OFFICE AND RECORDS

- 4.1 Office. The principal office of the Authority shall be in Petersburg at 900 Magazine Road, Petersburg, Virginia 23803.
- 4.2 Records. The Authority's books and records shall be maintained at the principal office and shall be open for inspection to any Member or Alternate Member upon request.

ARTICLE V – OFFICERS

- 5.1 Officers. Officers of the Authority shall consist of a Chairman, Vice-Chairman, a Secretary, and a Treasurer. The Chairman and Vice Chairman must be Members. Alternate Members may serve as Secretary or Treasurer.
- 5.2 Terms of Office. All officers shall be elected for a term of two years and shall hold office until December 31 of each even numbered year. An election of officers shall be held at the annual meeting of each even numbered year, with duly elected officers beginning office on January 1 of each odd numbered year. A special election of officer(s) will be held to fill the unexpired term of officer(s) that are no longer able to perform their duties. Officers may succeed themselves.
- 5.3 Chairman. The Chairman shall preside at all meetings of the Board at which he or she is present. The Chairman shall have the powers and perform such duties as conferred upon the office of Chairman. The Chairman shall sign all contracts and other instruments to be executed on behalf of the Authority, unless the Board by resolution authorizes or assigns another officer or the Executive Director to do so.
- 5.4 Vice-Chairman. The Vice-Chairman will act as Chairman in the Chairman's absence and shall possess such powers and perform such duties as are conferred upon the Chairman and perform other such duties as the Board may assign.
- 5.5 Secretary. The Secretary shall act as clerk of the Board. He or she shall give notice of the meetings, keep minutes, affix the seal of the Authority to all

documents which require such seal to be affixed and perform other duties as may be assigned by the Board. The Secretary may be assisted by the staff of the Authority.

- 5.6 Treasurer. The Treasurer shall have general charge and supervision of all financial books and accounts of the Authority. He or she shall perform other duties incident with the job of Treasurer and perform other duties as may be assigned. The Treasurer may be assisted by the staff of the Authority. The Secretary and Treasurer positions may be held by one person.
- 5.7 Chairman Pro Tem. In the event both the Chairman and Vice Chairman are absent from a meeting, the Members present may by resolution appoint a Chairman pro tem to preside at the meeting; provided, however, that the Chairman pro tem must be a Member.
- 5.8 Additional Officers. In addition to the officers above mentioned, the Board may provide for such Assistant Secretaries or Treasurers or Secretary-Treasurers and other officers as it may deem desirable. Such additional officers need not be Members.

ARTICLE VI – LIMITATION ON LIABILITY AND INDEMNIFICATION

- 6.1 Limitation on Liability. In every instance in which Virginia law, as it exists on the date hereof or may hereafter be amended, permits the limitation or elimination of liability of directors or officers of a corporation to the corporation or its shareholders, the Members, Alternate Members and officers of the Authority shall not be liable to the Authority. The liability to the Authority of a Member, Alternate Member or officer for damages assessed against him or her is eliminated, provided such Member, Alternate Member or officer has discharged his or her duties in accordance with the applicable statutory standards of conduct for directors and officers. The liability of a Member, Alternate Member or officer shall not be eliminated or limited if the Member, Alternate Member or officer engaged in willful misconduct, or a knowing violation of the criminal law, or of any federal or state law.

6.2 Indemnification of Officers and Members.

A. To the extent permitted by law, the Authority shall indemnify any person who was or is a party or who is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitrative or investigative by reason of the fact that he or she is or was a Member, Alternate Member or officer of the Authority, or is or was serving at the request of the Authority as an officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise (an "Indemnitee"), against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the Indemnitee in connection with such action, suit or proceeding if he or she acted in good faith and in the manner he or she reasonably believed to be in or not opposed to the best interests of the Authority, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself create a presumption that the Indemnitee did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Authority, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

B. To the extent that an Indemnitee has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subdivision A above or in defense of any claim, issue or matter therein, he or she shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection therewith.

C. Any indemnification under Subdivision A above (unless ordered by a court) shall be made by the Authority only as authorized in the specific case upon a determination that indemnification of the Indemnitee is proper in the circumstances because he has met the applicable standard of conduct set forth in subdivision A above. Such determination shall be made either (i) by the Members of the Authority by a majority vote of a quorum consisting of Members who were not parties to such action, suit or proceeding, or (ii) if such a quorum is not obtainable, or, even if obtainable a quorum of disinterested Members so directs, by independent legal counsel in a written opinion.

D. Expenses (including attorneys' fees) incurred in defending an action, suit or proceeding, whether civil, criminal, administrative, arbitrative or investigative, may be paid by the Authority in advance of the final disposition of such action, suit or proceeding as authorized in the manner provided in subdivision C above upon receipt of an undertaking by or on behalf of the Indemnitee to repay such amount unless it shall ultimately be determined that he or she is entitled to be indemnified by the Authority as authorized in this section.

E. Each such indemnity shall continue as to an Indemnatee who has ceased to have the capacity referred to above and shall inure to the benefit of the heirs, executors and administrators of such an Indemnatee.

F. The Authority shall have power to make any other or further indemnity to any person to the extent permitted under the laws of the Commonwealth of Virginia.

ARTICLE VII – COMMITTEES

- 7.1 Special or Standing Committees. The Board may establish such special or standing committees, as it may deem necessary or desirable for the conduct of business. Persons serving on such committees may be reimbursed for their expenses. The Board may establish such technical and advisory bodies as it deems appropriate and members of such bodies need not be a Member of the Board. Nothing in this Article shall be construed to limit the Authority's powers to contract with consultants and experts and to pay them for their services.

ARTICLE VIII – ADMINISTRATION

- 8.1 Executive Director. The Board shall select and employ an Executive Director and shall pay such compensation as it shall deem appropriate. The Executive Director shall be the chief executive officer of the Authority responsible for the day to day operations of the Authority. Under the policies and directives established by the Authority he or she shall have charge and responsibility for all personnel, operations and business of the Authority. Wherever in the bylaws a duty or right or prerogative of the Chairman may be carried out or exercised by a delegate or representative of the Chairman, such delegate or representative shall be the Executive Director unless the Chairman provides otherwise in writing. The Executive Director shall be responsible for payment of bills, receipt of monies and records of revenues and expenses. He or she shall prepare an annual budget for Board consideration and shall be responsible for the administration of the approved budget, to include budget reports to the Board. The Executive Director shall perform all other duties, incident to chief executive officer, and shall perform such other duties and have such other powers as the Board may designate.
- 8.2 Assistant Executive Director. An Assistant Executive Director will be employed by the Authority to perform those duties assigned by the Executive Director and act for the Executive Director in his absence. The Assistant Executive Director is authorized to sign checks for the Authority.

- 8.3 Staff. The Board will approve and the Executive Director will administer such staff as approved by the Board. The Authority may establish employment positions and compensation and benefit plans for the staff as deemed appropriate.
- 8.4 Emergency Powers. In case of an emergency, such as a significant failure of equipment or pipe line, flood, fire or natural disaster that endanger the safe operation of the facilities of the Authority, the Executive Director is authorized to take such actions as he or she deems necessary. As soon as practicable, The Executive Director will inform the Board of his or her actions. The Chairman may call a Board meeting at his or her discretion to discuss the emergency pursuant to sections 3.2 and 3.3 above.

ARTICLE IX – FINANCES AND PAYMENTS

- 9.1 Funds. Monies of the Authority shall be deposited or kept in bank or banks, as the Board shall designate from time to time. Each check, draft or voucher on the Authority's funds shall be signed by the Executive Director or Assistant Executive Director and countersigned by the Chairman, Vice-Chairman or Treasurer of the Authority.
- 9.2 Audits. At least annually, the Authority shall cause an audit to be made by an independent certified accountant of the Authority's funds. Audit results shall be reported to the Board. Each Member shall provide a copy of each audit report to his or her respective Governing Body and City Manager or County Administrator, as the case may be.
- 9.3 Trustee. The Board may appoint a bank or other financial institution to act as trustee of Authority funds.

ARTICLE X – FISCAL YEAR AND BUDGET

- 10.1 Fiscal Year. The fiscal year of the Authority shall be July 1 to June 30 of the following year.
- 10.2 Notice and Public Hearing Regarding Budget. Commencing with the Authority's budget for the fiscal year commencing July 1, 2012, and unless otherwise required by applicable law, before adopting the Authority's budget the Authority shall follow the publication, notice and public hearing procedures set forth in Section 15.2-2506 of the Code of Virginia of 1950, as amended, as if the Authority were a county, city or town. The Authority may amend any currently adopted budget; provided that, to the extent any amendment of a currently adopted budget exceeds one percent of the total expenditures in such budget, the Authority shall follow the publication, notice and public hearing procedures set forth in Section 15.2-2507 of the Code of Virginia of 1950, as amended, as if the Authority were a county, city or town. Any such public hearing may be combined with any budget or

budget amendment public hearing to be held by the Appomattox River Water Authority.

ARTICLE XI – COUNSEL

- 11.1 Legal Counsel. The Authority may engage legal counsel to advise and represent it in legal matters and proceedings and to act as counsel to the Authority.

ARTICLE XII – RULES OF PROCEDURE

- 12.1 Procedures. Robert's Rules of Order shall govern all matters of procedure not specifically addressed by these bylaws.
- 12.2 Minutes of Meetings. Minutes shall be kept for each Board meeting and the names of Members voting for or against any resolution, authorization or policy shall be recorded.
- 12.3 Notices. Whenever the giving of a notice of a meeting, occurrence or otherwise is required under these bylaws, such notice shall be in writing and provided to the recipient(s) thereof by mail, e-mail, facsimile or other form of wired or wireless transmission or by private courier to the home or business address of the recipient or at such other address as the recipient shall file with the Secretary and Executive Director. If mailed, the notice shall be deemed to have been given when deposited in the United States mail with first-class postage thereon paid. If given in another manner, such notice shall be deemed to have been given when sent by e-mail or facsimile or other form of wired or wireless communication or given to a private courier to be delivered.

ARTICLE XIII – OFFICIAL SEAL

- 13.1 Seal. The official seal of the Authority shall consist of the embossed impression of a circular metallic disc containing in the outer rim the words "South Central Wastewater Authority" and in the inner circle the words "Seal" and "Petersburg, Virginia".

ARTICLE XIV – AMENDMENTS

- 14.1 Amendments of Bylaws. Except as otherwise provided by law, these bylaws may be amended, added to, altered or repealed in whole or part by the Authority at any meeting of the Authority, provided that notice of the proposed amendment, addition, alteration or repeal is given in the notice of such meeting, or that all Members of the Authority are present at such meeting.

Amended and Restated by the Authority's Board on August 18, 2011.