



900 Magazine Rd.  
Petersburg, VA 23803  
Office: (804) 861-0111  
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## **SOUTH CENTRAL WASTEWATER AUTHORITY Board of Directors Meeting**

DATE: March 18, 2021

TIME: 2:00 pm

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

### **AGENDA**

1. Call to Order/Roll Call
2. Approval of Minutes: Minutes of the Board Meeting held on January 21, 2021 (Exhibit A, pages 2 to 6)
3. Public Comment (Exhibit B, page 7)
4. Public Hearing for FY2021/22 Operating Budget (Exhibit C, pages 8 to 27)
5. Executive Director's Report:
  - Financial Policy Review (Exhibit D, pages 28 to 41)
  - Nutrient Project Update (Exhibit E, pages 42 to 43)
  - Status Report: Ongoing Projects/Operations (Exhibit F, page 44 to 45)
  - Financials (Exhibit G, pages 46 to 47)
6. Items from Counsel
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 21, 2021 at 2:00 p.m.**  
**Location: Appomattox River Water Authority**  
**21300 Chesdin Road, Petersburg, VA 23803**

**MEMBERS PRESENT:**

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

**STAFF PRESENT:**

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

**ALTERNATES PRESENT:**

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

**OTHERS PRESENT:**

Alec Brebner, (Executive Director, Crater Planning District)  
Andrew Barnes, (Petersburg)

**ABSENT:**

Percy Ashcraft, (Prince George)  
Todd Flippen, (Alternate, Colonial Heights)

The SCWWA meeting was called to order following the ARWA meeting by Mr. Smith, Chairman, at 3:27 p.m.

**1. Call to Order/Roll Call**

The roll was called:	Doug Smith	Present
	Kevin Massengill	Present
	Joseph Casey	Present
	Frank Haltom	Present
	Aretha Ferrell-Benavides	Present

**2. Approval of Minutes: Minutes of the Regular Meeting of the Board on November 19, 2020**

Upon a motion by Mr. Massengill and seconded by Mr. Haltom the following resolution was adopted:

**RESOLVED, that the Minutes of the Regular Meeting of the Board on November 19, 2020 are hereby approved:**

**For: 5      Against: 0      Abstain: 0**

**3. Public Comment**

There were no Public Comments.

**4. Executive Director's Report:**

• **Proposed Salary Adjustment Request**

Mr. Wilson reported on the proposed salary adjustment request. Mr. Wilson suggested that the same verbiage from the ARWA meeting be used as it relates to the salary adjustment request. Dr. Casey made the motion to accept that request. We are recommending the \$1,000 bonus and 3% merit increase for all full-time staff. Mr. Haltom asked if everyone would get the merit increase of 3%. Mr. Wilson replied the numbers we put in the memo were for the entire workforce to receive it. Dr. Casey stated he could approve a \$1,000 bonus but he could not approve a merit increase more than what Chesterfield gave their employees. Dr. Casey stated that Chesterfield County will be engaging in a salary study in the future and that the authorities are welcome to participate in said studies. Dr. Casey also stated that he understands that the Executive Director has the discretion to make market adjustments and targeted salary changes without involving the board as long as it does not have a budget impact that requires board approval. Mr. Haltom stated 2% would be something Prince George would be more amenable to. Mr. Smith suggested meeting in the middle at 2.5% for the merit increase. Mr. Massengill and Ms. Ferrell-Benavides supported the 2.5% merit increase.

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

**RESOLVED, that the Board approves staff recommendation of a onetime bonus of \$1,000 and modify the merit increase to 2.5%:**

**Vote:**

<b>Doug Smith</b>	<b>Aye</b>
<b>Kevin Massengill</b>	<b>Aye</b>
<b>Joseph Casey</b>	<b>Aye</b>
<b>Frank Haltom</b>	<b>Aye</b>
<b>Aretha Ferrell-Benavides</b>	<b>Aye</b>

**Absent During Vote:** **None**

- **Proposed FY21/22 Budget Presentation**

Mr. Wilson presented the proposed FY21/22 Budget. He stated we did not request anything for the ERRF or reserve policy as they are fully funded. He further stated as was discussed in the previous ARWA meeting, the 3% merit increase will be advertised, and the Board will take that under discussion at the March 18<sup>th</sup> meeting. He stated we show that we are going to have to request a couple more maintenance positions when the new plant comes on-line. Their proposed costs and benefits have been added into that part of the budget.

Dr. Casey asked if the major plant upgrade itself is already in our current budget, or if what is listed in the Board package is the projected share of what it is going to be. Mr. Wilson answered we have what we think the local share's going to be which has been discussed with representatives from VRA and DEQ. We brought in legal counsel and we will talk about a motion later when we talk about paying the local share portion of the nutrient project. Dr. Casey stated what we are showing in our draft CIP is a net project or net local share of it. He asked are we the ones who can manage and appropriate the project that is going to be the much larger number with the revenue source being the State. We are going to award the contract on the gross amount, which is letting everyone know this is a \$35 million project. He stated if the State says no it may not be done at all, would we have to say this is our plan "B". Mr. Wilson asked Mr. Anderson if this was stated correctly, and Mr. Anderson replied we made that very clear. He stated the Authority is going to sign a contract that will be for the full amount, and we do have the grant money coming in. Dr. Casey stated if we are to get the award by the State then we would not need to amend our budget to match the project. He asked do we come out of the box with what the gross project is with assumptions or come out with the net in a narrative that is going to amend the budget. He is used to showing the gross. He stated all he sees is they have a \$35 million share in something. Mr. Wilson stated we are including Davenport as part of that. A decision we will have to be made as to which way to go on the financing. He further stated right now we are recommending the State Revolving Loan Fund with the reason being they have put principal forgiveness on the table. Other requirements are we must pay certain wages, we must buy American, etc., but if the principal forgiveness is there, and we are able to write a grant agreement that we guarantee we are only going to fund the local share, we would recommend going that way. He stated there is one thing they are checking for us, and he has talked with Mr. Hayes before, and that is making sure they pay on time, so we are trying to figure out what our exposure and risk would be associated with that. Mr. Anderson asked if it would be appropriate to add a footnote. He further stated that is all this Authority could put in. Mr. Wilson stated we indicated in our conversation if we do not get the match from the State that we cannot do the project. Mr. Smith stated to add a footnote to the Nutrient Project regarding gross revenues versus local share costs, the budget can be amended later. Dr. Casey asked when this General Assembly session is over, will we see that commitment from them. Mr. Wilson replied we would see a commitment this year on the proposed Grant Agreement. Mr. Anderson stated we should see the Grant Agreement next month from DEQ. He further stated we are tracking current legislation.

Mr. Hayes stated they, (Chesterfield County), had been through this process with a grant. He wanted to let us know that if the Authority receives approval of the grant, paid invoices must be submitted prior to the funds being disbursed. The funds are not sent in advance of the expenses being incurred. Mr. Wilson stated we will have Davenport help us. Mr. Smith also asked for a consensus from the members that staff would advertise the FY22 Budget as presented and the members would use the time between the January and March meetings to gain a better understanding of how their localities would be budgeting and bring back with them any questions/comments/suggestions during the March meeting.

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 2021/2022 and the related payment schedule and set a public hearing date of March 18<sup>th</sup> at 2:00 pm:**

**Vote:**

<b>Doug Smith</b>	<b>Aye</b>
<b>Kevin Massengill</b>	<b>Aye</b>
<b>Joseph Casey</b>	<b>Aye</b>
<b>Frank Haltom</b>	<b>Aye</b>
<b>Aretha Ferrell-Benavides</b>	<b>Aye</b>

**Absent During Vote:** **None**

- **Nutrient Project Update**

Mr. Gordon reported on the Nutrient Project Update. He stated the kickoff meeting with Engineers was held November 19, 2020. He went over the project schedule. Mr. Haltom asked if the bids are not due to come in until February, and if we did have overages that we would want additional funds for, would we have to wait until later that year in Assembly. Mr. Wilson stated that hopefully when we get to 90% design, we will submit the loan package. There is time during the process if we need to increase.

- **Six Month Work Plan Update**

Mr. Gordon reported on the six-month work plan update.

- **Status Report: Ongoing Projects/Operations**

Mr. Gordon reported on the Ongoing Projects/Operations. He stated the next meeting is scheduled for Thursday, March 18, 2021 and we would like to change the meeting from being at SCWWA to being held at ARWA. The reason for the location change is to provide the appropriate meeting space for social distancing and public participation. The Board agreed to have the next Board meeting at ARWA.

He informed the Board that one industry in the industrial pretreatment program received several Notices of Violations for exceeding fats, oils, and greases, and they have involved their legal counsel. We have involved our legal counsel, and discussions are ongoing. We have discussed this situation with DEQ and other surrounding pretreatment programs about what they are doing, and our industry has a higher limit than they do currently. The industry is asking for a COVID-19 relief abeyance. DEQ and the other industries have not allowed relief on limits because of COVID-19, so we are following the permit with the appropriate penalties.

- **Financials**

Ms. Wilkins reported on the Financials.

5. **Board Officer Election – Vice Chairman**

Mr. Gordon stated that with Ms. Ferrell-Benavides leaving, we do have an open vice-chairman position. Mr. Smith asked if there was any interest in the vice-chairman position. Ms. Ferrell-Benavides stated that Mr. Lyons will be taking over her position with the Board and was interested in the vice-chairman position.

Upon a motion made by Mr. Massengill and seconded by Mr. Haltom, Mr. Lyons was approved as Vice-Chairman of the SCWWA Board of Directors effective upon Ms. Ferrell-Benavides leaving for the remaining term of two years:

**For: 5                      Against: 0                      Abstain: 0**

6. **Items from Counsel**

- **Resolution Declaring the Official Intent of South Central Wastewater Authority to Reimburse Certain Expenditures with Proceeds of Bonds**

Mr. Anderson reported on the reimbursement resolution for the nutrient reduction upgrade project. It is limited to \$35 million in terms of how much in bonds we expect to issue for the project, but this allows us to do it on a tax-exempt basis, and we have costs that we want to reimburse before the bonds are issued. It allows the Authority to go back and reimburse itself out of the bond proceeds for those pre-issuance expenditures.

Upon a motion by Mr. Haltom and seconded by Mr. Massengill the following resolution was adopted:

**RESOLVED, that the Board approves the attached Resolution declaring the official intent of South Central Wastewater Authority to reimburse certain expenditures with proceeds of bonds:**

**Vote:**

<b>Doug Smith</b>	<b>Aye</b>
<b>Kevin Massengill</b>	<b>Aye</b>
<b>Joseph Casey</b>	<b>Aye</b>
<b>Frank Haltom</b>	<b>Aye</b>
<b>Aretha Ferrell-Benavides</b>	<b>Aye</b>

**Absent During Vote:** **None**

Mr. Anderson stated that the Service Agreement of SCWWA does require as a pre-condition to the borrowing of money that each of the incorporating jurisdictions will have to approve it. He further stated he wanted to put this on the table. As we develop a schedule, we will recommend some time periods where this could be taken to individual Boards. Mr. Smith asked what the projected time frame would be for us as a Board to consider approving the grant agreement. Mr. Wilson stated we hoped to have a draft somewhere around the end of March. He further stated that we may request a special meeting or float it to members to see if you want to meet in April to review it.

7. **Closed Session**

There was no Closed Session.

8. **Other Items from Board Members/Staff Not on Agenda**

Mr. Smith stated Ms. Ferrell-Benavides is preparing to leave the Board. He read a Resolution in recognition of her outstanding service.

Upon a motion by Mr. Massengill and seconded by Mr. Haltom the following resolution was adopted:

**RESOLVED, that the Board approves the attached Resolution in recognition of Ms. Ferrell-Benavides outstanding service on the South Central Wastewater Authority Board of Directors:**

**For: 4      Against: 0      Abstain: 0**

Ms. Ferrell-Benavides thanked all members of the Board.

9. **Adjourn**

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

Upon a motion by Mr. Massengill and seconded by Ms. Ferrell-Benavides the meeting was adjourned at 4:03 p.m.

MINUTES APPROVED BY:

\_\_\_\_\_  
**Frank Haltom**  
**Secretary/Treasurer**

## RESOLUTION

WHEREAS, on July 19, 2017, Ms. Aretha Ferrell-Benavides was appointed to the Board of the South Central Wastewater Authority Board of Directors, and;

WHEREAS, Ms. Ferrell-Benavides served on the Board of the South Central Wastewater Authority for over three years, and most recently as Vice Chairman, and;

WHEREAS, Ms. Ferrell-Benavides took control of a fiscally stressed city and utility department, and;

WHEREAS, Ms. Ferrell-Benavides' foresight and ability to make tough decisions has created a belief in our mission, taking a risk and offering invaluable leadership and support on matters of importance, and;

WHEREAS, Ms. Ferrell-Benavides successfully brought both the City and utility department back to a positive cash flow with an increasing bond rating, and;

WHEREAS, with Ms. Ferrell-Benavides' positive attitude, management style, and oversight has kept the City current, progressive and in a position for future success, and;

WHEREAS, the Board of Directors wishes to recognize Ms. Ferrell-Benavides for her service and her dedication;

THEREFORE, BE IT RESOLVED, that the Board of Directors of the South Central Wastewater Authority, by unanimous vote this 21<sup>st</sup> day of January 2021, hereby recognizes and commends Ms. Ferrell-Benavides on her service on the South Central Wastewater Authority Board of Directors as representative for the City of Petersburg.

BE IT FURTHER RESOLVED, that a copy of this RESOLUTION be incorporated into the Minutes of the Board of the South Central Wastewater Authority and a copy be presented to her.



APPOMATTOX RIVER WATER AUTHORITY  
21300 Chesdin Road  
Petersburg, VA 23803



SOUTH CENTRAL WASTEWATER AUTHORITY  
900 Magazine Road  
Petersburg, VA 23803

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

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

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

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

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

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

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



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### Exhibit C

TO: South Central Wastewater Authority Board of Directors

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

DATE: March 18, 2021

SUBJECT: Fiscal Year 2021-22 Proposed Budget

At the January 21, 2021 meeting we presented the proposed FY2021-22 budget for consideration. A copy of the budget narrative and proposed budget from the January presentation 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 18, 2021. A copy of the resolution accepting the proposed budget and authorizing advertisement is included as Attachment #2.

The proposed FY2021-22 budget was advertised in the Progress Index on February 18<sup>th</sup> and March 3<sup>rd</sup>. A copy of the advertisement is included as Attachment #3. In addition, the budget advertisement was posted on the bulletin board outside the Administration Building, the new bulletin board outside the front gate on Magazine Road and the website homepage. The advertisement also included contact information for citizens to submit questions and comments electronically. As of the preparation of the agenda package we have not received any questions or comments electronically.

A copy of the FY2021-22 proposed budget is included as Attachment #4.

#### **Board action requested:**

Staff requests the Board review the proposed FY2021-22 budget, conduct the public hearing on March 18, 2021 as advertised, discuss any comments presented and take action based on the Board's findings from the public hearing. Staff's recommendation is approval of the FY2021-22 budget as illustrated in Attachment #4. If the board is in a position to approve the budget as presented, a board resolution is attached for review (attachment #5).





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Attachment 1

TO: South Central Wastewater Authority Board of Directors

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

DATE: January 21, 2021

SUBJECT: Proposed FY21/22 Budget

We presented the proposed FY21/22 Budget to the participating member utility directors via teleconference on December 9, 2020. Prior to the meeting, we provided the utility directors with the Proposed FY21/22 Budget Narrative and budget spreadsheets, Attachment A and Attachment B, respectively.

The Budget Narrative provides much of the detail for the below points. However, from our discussion with the utility directors, we wanted to emphasize the following points:

- The budget is divided into operating and maintenance costs (O&M), equipment repair and replacement fund (ERRF), reserve policy, and capital reserve account. Each participating jurisdiction is responsible for a pro rata share of the operating and maintenance costs. The pro rata share for O&M costs is calculated from the previous five year running average for each participating jurisdiction. The percentages presented for the pro rata shares were accepted by the group.
- The ERRF is distributed by ownership in the plant per the Service Agreement. The ERRF is currently fully funded and that is why an appropriation is not requested for FY21/22.
- Similar to the ERRF, the pro rata share for the Reserve Policy, 50% of O&M costs, is distributed by ownership in the plant. The Reserve Policy is fully funded and therefore, no appropriation is requested for FY21/22.
- Similar to the ERRF and Reserve Policy, the Capital Reserve Account is funded by percent ownership in the plant. The Capital Reserve Account is the proposed debt service for the nutrient project. When we begin paying debt service for the nutrient project, this line item will go away.
- A 3% merit salary adjustment is requested. Not all utility directors were supportive of this increase. This will require further Board direction.
- We are proposing to set up accumulating line items for vehicle and maintenance equipment replacement. The idea is to accumulate funds annually to try to reduce large rate increases.

- The FY21/22 replacement fund projects identified are projects not included in the nutrient project.
- The spreadsheets include a section, last page, with the changes from the previous year and the proposed increases for the next five years for planning.

**Board Action Requested:**

Staff requests Board approval to advertise the proposed FY2021/2022 Budget and set a public hearing for the budget at the March 18, 2021 Board of Directors meeting. Final Board consideration on the budget will be requested at the May 20, 2021 Board of Directors meeting.



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TO: South Central Wastewater Authority Utility Directors

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

DATE: December 9, 2020

SUBJECT: Proposed FY21/22 Budget Narrative

The budget is divided into operating and maintenance costs (O&M), equipment repair and replacement fund (ERRF), debt service, reserve policy, and the capital reserve account. Each participating member is responsible for a pro rata share of the O&M expenses. The pro rata share for O&M expenses is calculated from the previous five year running average for each participating member.

The pro rata shares used to develop the portion of O&M costs for FY21/22 were:

- City of Petersburg 59.177%
- City of Colonial Heights 17.792%
- Chesterfield County 7.996%
- Prince George County 6.209%
- Dinwiddie County 8.826%

The ERRF is distributed by ownership in the plant per the Service Agreements:

- City of Petersburg 52.5%
- City of Colonial Heights 20.0%
- Chesterfield County 10.0%
- Prince George County 7.5%
- Dinwiddie County 10.0%

The required balance in the ERRF is 5% of O&M costs. The ERRF is fully funded at \$2.5 million and therefore, no appropriation is requested for the ERRF.

The pro rata share for the Reserve Policy is distributed by ownership in the plant like the ERRF. The required balance in the Reserve Policy is 50% of O&M costs. The Reserve Policy is currently funded and therefore, no appropriation is requested.

Similar to the ERRF and Reserve Policy, the Capital Reserve Account is funded by percent ownership in the plant. The Capital Reserve Policy is being used for cash to fund the Nutrient project. When the funds are borrowed for the Nutrient Project and we begin to pay debt service, the Capital Reserve Account will be closed until it is needed for use on another project.

One of the main factors that influences the five year running average is rain. Unfortunately, water from rain gets into our participating member's collection systems and ultimately ends up at the wastewater treatment plant for treatment. Reduction in inflow and infiltration helps to reduce a participating member's treatment costs by reducing their five year running average.

For the proposed FY21/22 Budget the operating and maintenance costs are developed by meeting with staff, setting priorities and using actual estimates. The proposed budget includes a 3% salary adjustment across the board for staff.

For FY21/22 the replacement fund includes rebuilding one influent bar screen, rebuilding three primary waste pumps, replacing two grit collector mechanisms, roof replacement on various buildings and creating a line item in the LGIP for plant equipment replacement. The identified capital projects are projects that are not included in the nutrient project.

To assist with stabilizing rates, we propose to start an account for plant equipment replacement. This account will be funded annually, and funds will be withdrawn per an approved replacement schedule. We will propose to add an additional line item in FY22/23 for plant vehicle replacement. By adding these line items, we will not artificially increase or decrease the budget by adding the appropriation in the year the expense is requested.

Nutrient purchases are slated to be constant through FY25/26.

To assist participating members with determining the Authority's impact on budgets and looking at their future rates, we included a section on estimated rates for the next five years. For these future estimates, we increased the operating expenses annually by 3%, did not inflate replacement or nutrient costs and kept the debt service constant. We did increase the debt service in FY22/23 to what we calculated for a 20 year borrowing at 3%.

**SOUTH CENTRAL WASTEWATER AUTHORITY**

**PROPOSED: January 21, 2021**

**APPROVED:**

**REVISED:**

**REVISION APPROVED:**

Acct #	ITEM	Revised	Fiscal Year	Increase/
		2020/2021	2021/2022	(Decrease)
		July 16, 2020	Budget	
<b>51000</b>	<b>SALARY</b>	<b>\$ 1,900,000</b>	<b>\$ 1,940,000</b>	<b>\$40,000</b>
<b>52000</b>	<b>EMPLOYEE BENEFITS</b>	<b>\$ 911,600</b>	<b>\$ 939,500</b>	<b>\$27,900</b>
52100	Employer FICA	\$ 145,000	\$ 149,000	\$4,000
52200	Virginia Retirement System	\$ 130,000	\$ 151,000	\$21,000
52300	Hospitalization Insurance	\$ 603,600	\$ 600,000	-\$3,600
52400	Group Life	\$ 28,000	\$ 28,000	\$0
52450	Supplemental Group Life	\$ 1,500	\$ 1,500	\$0
52500	Health Insurance Credit	\$ -	\$ -	\$0
52700	Employee Promotions	\$ 3,500	\$ 10,000	\$6,500
52900	OPEB Health Insuranc ARC Adj	\$ -	\$ -	\$0
52952	Net Pension Adjustment	\$ -	\$ -	\$0
<b>53000</b>	<b>Contractual Services</b>	<b>\$ 395,000</b>	<b>\$ 340,000</b>	<b>-\$55,000</b>
53121	Auditing Services	\$ 12,500	\$ 12,500	\$0
53122	Accounting Services	\$ 7,500	\$ 11,000	\$3,500
53123	Administrative Service	\$ 37,000	\$ 73,000	\$36,000
53140	Consults - Engineering	\$ 50,000	\$ 50,000	\$0
53145	Consults - General	\$ -	\$ -	\$0
53150	Legal Services	\$ 50,000	\$ 50,000	\$0
53152	Software Support	\$ 70,000	\$ 50,000	-\$20,000
53160	Medical	\$ 3,000	\$ 3,000	\$0
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	\$ 43,000	\$ 43,000	\$0
53220	VPDES Permit Fee	\$ 12,500	\$ 12,500	\$0
53320	Maintenance Service Contracts	\$ 50,000	\$ 10,000	-\$40,000
53600	Grounds Maintenance	\$ 25,000	\$ 25,000	\$0
<b>55000</b>	<b>Other Charges</b>	<b>\$ 998,000</b>	<b>\$ 1,014,500</b>	<b>\$16,500</b>
55050	Advertising	\$ 10,000	\$ 5,000	-\$5,000
55110	Electricity	\$ 450,000	\$ 450,000	\$0
55120	Natural Gas	\$ 15,000	\$ 15,000	\$0
55130	Solid Waste	\$ 3,500	\$ 3,500	\$0
55140	Water	\$ 8,500	\$ 10,000	\$1,500
55150	Storm Water (City of Petersburg)	\$ 6,500	\$ 6,500	\$0
55160	Biosolids Disposal	\$ 350,000	\$ 350,000	\$0
55210	Postage and Freight	\$ 15,000	\$ 25,000	\$10,000
55230	Telecommunications	\$ 16,500	\$ 16,500	\$0
55308	General Liability Insurance	\$ 70,000	\$ 70,000	\$0
55410	Lease/Rent of Equipment	\$ 11,000	\$ 11,000	\$0
55530	Meals and Lodging	\$ 2,000	\$ 2,000	\$0
55540	Education and Training	\$ 20,000.00	\$ 25,000.00	\$5,000
55550	Safety Supplies	\$ 20,000.00	\$ 25,000.00	\$5,000
55700	Grounds Maintenance			\$0

<b>56000</b>	<b>Materials and Supplies</b>	<b>\$ 1,192,000</b>	<b>\$ 1,245,100</b>	<b>\$53,100</b>
56001	Office Supplies	\$ 15,000	\$ 15,000	\$0
56004	Laboratory Supplies	\$ 55,000	\$ 56,100	\$1,100
56005	Process Chemicals	\$ 575,000	\$ 575,000	\$0
56006	Repair and Maintenance Supplies - IT	\$ 80,000	\$ 80,000	\$0
56007	Repair and Maintenance Supplies - Shop	\$ 355,000	\$ 395,000	\$40,000
56008	Vehicle and Equipment Fuels	\$ 25,000	\$ 25,000	\$0
56010	Janitorial Supplies	\$ 10,000	\$ 10,000	\$0
56011	Uniforms	\$ 19,000	\$ 24,000	\$5,000
56012	Dues and Subscriptions	\$ 38,000	\$ 35,000	-\$3,000
56015	Small Equipment Purchases	\$ 10,000	\$ 20,000	\$10,000
56016	Operation - Supplies - Maintenance	\$ 10,000	\$ 10,000	\$0
<b>57000</b>	<b>Equipment Replacement</b>	<b>\$ 538,000</b>	<b>\$ 727,000</b>	<b>\$189,000</b>
<b>58000</b>	<b>Nutrient Credit Purchases</b>	<b>\$ 550,000</b>	<b>\$ 187,500</b>	<b>-\$362,500</b>
<b>59000</b>	<b>Rate Stabilization Funds to be deposited to Capital Reserve Acct</b>			<b>\$0</b>
	<b>Total(Operations &amp; Maintenance)</b>	<b>\$ 6,484,600</b>	<b>\$ 6,393,600</b>	<b>-\$91,000</b>
	<b>Reserve policy (50% O&amp;M) (1)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$0</b>
	<b>ERRF (5% of Operations &amp; Maintenance) (2)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$0</b>
	<b>Capital Reserve Account (3)</b>	<b>\$ 2,250,000</b>	<b>\$ 2,500,000</b>	<b>\$250,000</b>
	<b>Debt Service</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$0</b>
	<b>Total</b>	<b>\$ 8,734,600</b>	<b>\$ 8,893,600</b>	<b>\$159,000</b>

Notes

(1) Reserve Policy requirement is to maintain 50% O&M reserves. Reserve Policy account currently has 50% O&M

(2) Equipment Replacement and Reserve Fund (ERRF) has > \$2.5 million. Per service agreement, the budget must include 5% O&M charge for ERRF until the account reaches \$2.5 million

(3) Capital Reserve account is used to offset future capital expenditures.

**South Central Wastewater Authority  
Replacement Fund Budget - 57000  
FY21/22**

Acct#	Budget 20/21	Proposed Budget 21/22	INFORMATIONAL & PLANNING									
			22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	
57010 - Machinery & Equipment	\$ 140,000	\$ 292,000	\$ 160,000	\$ 250,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000
57020 - Instrumentation	\$ 88,000	\$ -	\$ 124,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
57030 - SCADA	\$ 15,000	\$ -	\$ -	\$ -	\$ 10,000	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000
57040 - Computer Hardware & Software	\$ 10,000	\$ -	\$ 15,000	\$ -	\$ 15,000	\$ -	\$ -	\$ 15,000	\$ -	\$ 15,000	\$ -	\$ -
57050 - Motor Vehicles	\$ 35,000	\$ -	\$ 150,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 39,333	\$ 34,000	\$ 31,000	\$ 30,000	\$ -
57055 - Equipment	\$ -	\$ 185,000	\$ 185,000	\$ 185,000	\$ 185,000	\$ 185,000	\$ 72,937	\$ 47,853	\$ 40,889	\$ 40,889	\$ 40,889	\$ 40,889
57060 - Construction	\$ 250,000	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
57080 - Fixtures and Furniture	\$ -	\$ -	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Totals</b>	<b>\$ 538,000</b>	<b>\$ 727,000</b>	<b>\$ 634,000</b>	<b>\$ 555,000</b>	<b>\$ 380,000</b>	<b>\$ 365,000</b>	<b>\$ 242,937</b>	<b>\$ 227,187</b>	<b>\$ 199,889</b>	<b>\$ 211,889</b>	<b>\$ 205,889</b>	<b>\$ -</b>

NOTE: FY 20/21 TO BE APPROVED WITH BUDGET

**South Central Wastewater Authority  
Capital Budget  
FY21/22**

ITEM	Estimate	Budget 20/21	Proposed Budget 21/22	INFORMATIONAL & PLANNING									
				22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	
Nutrient Upgrade - Engineering	\$ 3,070,384	\$ 1,535,192	\$ 1,535,192										
Nutrient Upgrade - Bond	\$ 35,000,000			\$ 2,575,000	\$ 2,575,000	\$ 2,575,000	\$ 2,575,000	\$ 2,575,000	\$ 2,575,000	\$ 2,575,000	\$ 2,575,000	\$ 2,575,000	
Capital Reserve Account		\$ 2,250,000	\$ 2,500,000										
<b>Totals</b>		<b>\$ 2,250,000</b>	<b>\$ 2,500,000</b>	<b>\$ 2,575,000</b>	<b>\$ 2,575,000</b>	<b>\$ 2,575,000</b>	<b>\$ 2,575,000</b>	<b>\$ 2,575,000</b>	<b>\$ 2,575,000</b>	<b>\$ 2,575,000</b>	<b>\$ 2,575,000</b>	<b>\$ 2,575,000</b>	

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) Nutrient Upgrade - Engineering for FY2021 and FY2022 is funded through the Capital Reserve Account as approved at the September 2020 Board meeting
- 4) Debt service for the Nutrient Upgrade was estimated at \$35,000,000 over 20 years and 3%

Total Replacement and Construction Budget										
20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31
\$ 2,788,000	\$ 3,227,000	\$ 3,209,000	\$ 3,130,000	\$ 2,955,000	\$ 2,940,000	\$ 2,817,937	\$ 2,802,187	\$ 2,774,889	\$ 2,786,889	\$ 2,780,889

**South Central Wastewater Authority  
Nutrient Credit Purchase - Acct # 58100  
FY21/22**

Acct# 58100 ITEM	Budget 20/21	Proposed Budget 21/22	INFORMATIONAL & PLANNING									
			22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	
Contract + contingency	\$ 550,000	\$ 187,500	\$ 187,500	\$ 187,500	\$ 187,500	\$ 187,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

NOTE: FY 20/21 TO BE APPROVED WITH BUDGET

**SOUTH CENTRAL WASTEWATER AUTHORITY**

**FY 2021/2022 Budget**

Proposed: January 21, 2021

Approved: \_\_\_\_\_

Revised: \_\_\_\_\_

Revision Approved: \_\_\_\_\_

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

<b>Operation and Maintenance, Section 10, Para. 2</b>						<b>Budget:</b>	<b>\$6,393,600.00</b>
<b>Community</b>	<b>Petersburg</b>	<b>Colonial Heights</b>	<b>Chesterfield</b>	<b>Prince George</b>	<b>Dinwiddie</b>		
% O&M (1)	59.177%	17.792%	7.996%	6.209%	8.826%		
O&M	\$ 3,783,556.53	\$ 1,137,529.17	\$ 511,223.03	\$ 397,000.77	\$ 564,290.51		

<b>Equipment Repair and Replacement Fund, Section 11, Para. E, 5% of O&amp;M</b>						<b>Budget:</b>	<b>\$ -</b>
%ERRF(2)	52.5%	20.0%	10.0%	7.5%	10.0%		
ERRF	\$ -	\$ -	\$ -	\$ -	\$ -		

<b>Debt Service, Section 11, Para. A.2</b>						<b>Budget:</b>	<b>\$ -</b>
% Participation	0.00%	0.00%	0.00%	0.00%	0.00%		
P&I Owed	\$ -	\$ -	\$ -	\$ -	\$ -		
Deferred	\$ -	\$ -	\$ -	\$ -	\$ -		
Total P&I	\$ -	\$ -	\$ -	\$ -	\$ -		

<b>Reserve Policy</b>						<b>Budget:</b>	<b>0</b>
% Participation (3)	52.5%	20.0%	10.0%	7.5%	10.0%		
Reserve Policy	\$ -	\$ -	\$ -	\$ -	\$ -		

<b>Capital Reserve Account (to offset future Capital Expenditures)</b>						<b>Budget:</b>	<b>\$ 2,500,000.00</b>
% Participation	52.5%	20.0%	10.0%	7.5%	10.0%		
Reserve Policy	\$ 1,312,500.00	\$ 500,000.00	\$ 250,000.00	\$ 187,500.00	\$ 250,000.00		

<b>Annual Total</b>	<b>\$ 5,096,056.53</b>	<b>\$ 1,637,529.17</b>	<b>\$ 761,223.03</b>	<b>\$ 584,500.77</b>	<b>\$ 814,290.51</b>		
O&M Due Monthly	\$ 315,296.38	\$ 94,794.10	\$ 42,601.92	\$ 33,083.40	\$ 47,024.21		
ERRF Due Monthly	\$ -	\$ -	\$ -	\$ -	\$ -		
Reserve policy Due Monthly	\$ -	\$ -	\$ -	\$ -	\$ -		
Capital Reserve Account	\$ 109,375.00	\$ 41,666.67	\$ 20,833.33	\$ 15,625.00	\$ 20,833.33		
P&I Due Monthly	\$ -	\$ -	\$ -	\$ -	\$ -		
<b>Total Due Monthly</b>	<b>\$ 424,671.38</b>	<b>\$ 136,460.76</b>	<b>\$ 63,435.25</b>	<b>\$ 48,708.40</b>	<b>\$ 67,857.54</b>		

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 2021/2022 Budget**

Proposed: January 21, 2021

Approved: \_\_\_\_\_

Revised: \_\_\_\_\_

Revision 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	59.177%	17.792%	7.996%	6.209%	8.826%	100.000%
Estimated Share of Operations & Maintenance	\$ 3,783,556.53	\$ 1,137,529.17	\$ 511,223.03	\$ 397,000.77	\$ 564,290.51	\$ 6,393,600.00
Share of Plant Capacity (%)	52.50%	20.00%	10.00%	7.50%	10.00%	100.00%
Share of Equipment Replacement Reserve Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserve Policy - (50% O&M)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Reserve Account	\$ 1,312,500.00	\$ 500,000.00	\$ 250,000.00	\$ 187,500.00	\$ 250,000.00	\$ 2,500,000.00
Share of Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Monthly Amount	\$ 424,671.38	\$ 136,460.76	\$ 63,435.25	\$ 48,708.40	\$ 67,857.54	\$ 741,133.33
Annual Total	\$ 5,096,056.53	\$ 1,637,529.17	\$ 761,223.03	\$ 584,500.77	\$ 814,290.51	\$ 8,893,600.00
Electrical Credit						\$ -
Miscellaneous Revenue - PROPOSE THIS REVENUE IS DEPOSITED TO A CAPITAL RESERVE FUND						\$ -
<b>Total Budget</b>						<b>\$ 8,893,600.00</b>

**Budget Comparison**

<u>Locality</u>	<u>FY21/22 Budget Revenue</u>	<u>FY20/21 Budget Revenue</u>	<u>FY21/22 - FY20/21 Difference</u>	
City of Petersburg	\$ 5,096,057	\$ 5,001,502	\$ 94,555	1.89%
City of Colonial Heights	\$ 1,637,529	\$ 1,622,363	\$ 15,167	0.93%
Chesterfield County	\$ 761,223	\$ 751,989	\$ 9,234	1.23%
Prince George County	\$ 584,501	\$ 579,244	\$ 5,257	0.91%
Dinwiddie County	\$ 814,291	\$ 779,503	\$ 34,788	4.46%
Sub-totals	\$ 8,893,600	\$ 8,734,600	\$ 159,000	1.885%
Deferred Debt (Petersburg)	\$ -	\$ -	\$ -	
Deferred Debt (Colonial Heights)	\$ -	\$ -	\$ -	
Deferred Debt (Prince George)			\$ -	
Electrical Credit	\$ -	\$ -	\$ -	
Miscellaneous Revenue	\$ -	\$ -	\$ -	
<b>Total Budget</b>	<b>\$ 8,893,600.00</b>	<b>\$ 8,734,600.00</b>	<b>\$ 159,000.00</b>	

**50% Reserve Policy:**

Reserve Policy Calculation

<u>SCWWA O&amp;M Budget</u>	<u>O&amp;M Reserves on June 30, 2020</u>	<u>Recommended 50% O&amp;M Reserves</u>	<u>Charges required to achieve 50% reserves</u>	<u>Annual Charge</u>
\$6,393,600	\$3,916,414.45	\$3,196,800.00	-\$719,614.45	0

**SCWWA Budget comparisons**

Year	(1)			(2)		(3)		Total	Difference	% change	Comments
	O&M Expenses	Replacement	Nutrients	Debt Service	Reserve policy	ERRF					
20/21	\$ 5,396,600.00	\$ 538,000.00	\$ 550,000.00	\$ 2,250,000.00	\$ -	\$ -	\$ -	\$ 8,734,600.00			
21/22	\$ 5,479,100.00	\$ 727,000.00	\$ 187,500.00	\$ 2,500,000.00	\$ -	\$ -	\$ -	\$ 8,893,600.00	\$ 159,000.00	2%	
22/23	\$ 5,643,473.00	\$ 634,000.00	\$ 187,500.00	\$ 2,575,000.00	\$ -	\$ -	\$ -	\$ 9,039,973.00	\$ 146,373.00	2%	
23/24	\$ 5,812,777.19	\$ 555,000.00	\$ 187,500.00	\$ 2,575,000.00	\$ -	\$ -	\$ -	\$ 9,130,277.19	\$ 90,304.19	1%	
24/25	\$ 6,127,160.51	\$ 380,000.00	\$ 187,500.00	\$ 2,575,000.00	\$ -	\$ -	\$ -	\$ 9,269,660.51	\$ 139,383.32	2%	added maint sup and mechanic + benefits
25/26	\$ 6,310,975.33	\$ 365,000.00	\$ 187,500.00	\$ 2,575,000.00	\$ -	\$ -	\$ -	\$ 9,438,475.33	\$ 168,814.82	2%	should be last year purchasing credits

Notes:

(1) Annual increase in operating expenses 3%

(2) Debt Service stays constant. Projections assume bond payments start in FY23 (shown in red)

(3) Equipment Replacement and Reserve Fund (currently fully funded at >\$2,500,000)

**SCWWA Projected Annual Cost**

**5 year projected annual cost per Participating Jurisdiction**

	Dinwiddie	Prince George	Colonial Heights	Chesterfield	Petersburg	total
5 year aver flows	8.826%	6.209%	17.792%	7.996%	59.177%	100.000%
Allocation	10.000%	7.500%	20.000%	10.000%	52.500%	100.000%
FY 22/23	\$ 828,090	\$ 594,558	\$ 1,665,228	\$ 774,430	\$ 5,177,668	\$ 9,039,973
FY 23/24	\$ 836,060	\$ 600,165	\$ 1,681,294	\$ 781,651	\$ 5,231,108	\$ 9,130,277
FY 24/25	\$ 848,362	\$ 608,820	\$ 1,706,093	\$ 792,795	\$ 5,313,591	\$ 9,269,661
FY 25/26	\$ 863,261	\$ 619,302	\$ 1,736,128	\$ 806,294	\$ 5,413,491	\$ 9,438,475

Note: Budget % based on five year average flows (FY15/16 to FY19/20)

**RESOLUTION**

**OF THE SOUTH CENTRAL WASTEWATER AUTHORITY  
PROVIDING PRELIMINARY APPROVAL OF THE  
BUDGET FOR FISCAL YEAR 2022 AND  
THE RELATED PAYMENT SCHEDULE**

**WHEREAS**, in October, November and December of 2020 the staff of the South Central Wastewater Authority (the "Authority") developed the Authority’s proposed budget and payment schedule for Fiscal Year 2022 and at this meeting held on January 21, 2021, presented the proposed budget and payment schedule to the Authority Board; and

**WHEREAS**, 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 2022 budget submitted as an attachment to this resolution and (ii) the proposed payment schedule for Fiscal Year 2022 as set forth below, (b) schedules a public hearing on the proposed Fiscal Year 2022 budget and payment schedule at the Authority’s next scheduled Board meeting on March 18, 2021, and (c) directs Authority staff to provide for the publication of the notices of such public hearing in accordance with Virginia Code Section 15.2-5136(G):

	FY2022 PAYMENTS
City of Petersburg	\$5,096,057
City of Colonial Heights	1,637,529
Chesterfield County	761,223
Prince George County	584,501
Dinwiddie County	814,291
<b>TOTAL</b>	<b>\$8,893,601</b>

**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 2022 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 2022.

Attachment 3

The Appomattox River Water Authority and South Central Wastewater Authority provide wholesale water treatment, transmission and wastewater treatment services to their member jurisdictions: Chesterfield County, City of Colonial Heights, Dinwiddie County, City of Petersburg, and Prince George County. These members pay wholesale water and wastewater rates and charges. Each member operates its own separate public retail water distribution and wastewater collection systems with different water and wastewater retail utility rates charged to their customers.

Pursuant to a resolution approved by each authority board at the January 21, 2021 meetings a public hearing will be held on March 18, 2021 at 2:00 p.m. at the Appomattox River Water Authority located at 21300 Chesdin Road, Petersburg, VA 23803 for the FY22 proposed rates. Any person interested may appear at the meeting and present their views regarding the proposed rate(s). Comments and questions may also be submitted to [mwilkins@arwava.org](mailto:mwilkins@arwava.org). All comments and questions will be conveyed to the Board during the public hearing on March 18th.

APPOMATTOX RIVER WATER AUTHORITY  
RATES (\$/1,000 gallons)

	FY2022
Chesterfield County	\$0.9922
City of Colonial Heights	\$1.0195
Dinwiddie County	\$1.4295
City of Petersburg	\$0.9888
Prince George County	\$1.3400

SOUTH CENTRAL WASTEWATER AUTHORITY  
REVENUE DETAIL BY PARTICIPATING JURISDICTION

	FY2022
City of Petersburg	\$5,096,057
City of Colonial Heights	1,637,529
Chesterfield County	761,223
Prince George County	584,501
Dinwiddie County	814,291
TOTAL	\$8,893,601

The South Central Wastewater Authority (SCWWA) has also proposed to change (i) the septage rate to the greater of \$25.00 per truck or \$0.05 per gallon off-loaded and (ii) the leachate rate to \$0.095 per gallon off-loaded. Pursuant to a resolution adopted by the Board of SCWWA 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 4

### SOUTH CENTRAL WASTEWATER AUTHORITY

PROPOSED: January 21, 2021

APPROVED:

REVISED:

REVISION APPROVED:

Acct #	ITEM	Revised 2020/2021 July 16, 2020	Fiscal Year 2021/2022 Budget	Increase/ (Decrease)
<b>51000</b>	<b>SALARY</b>	\$ 1,900,000	\$ 1,940,000	\$40,000
<b>52000</b>	<b>EMPLOYEE BENEFITS</b>	\$ 911,600	\$ 939,500	\$27,900
52100	Employer FICA	\$ 145,000	\$ 149,000	\$4,000
52200	Virginia Retirement System	\$ 130,000	\$ 151,000	\$21,000
52300	Hospitalization Insurance	\$ 603,600	\$ 600,000	-\$3,600
52400	Group Life	\$ 28,000	\$ 28,000	\$0
52450	Supplemental Group Life	\$ 1,500	\$ 1,500	\$0
52500	Health Insurance Credit	\$ -	\$ -	\$0
52700	Employee Promotions	\$ 3,500	\$ 10,000	\$6,500
52900	OPEB Health Insuranc ARC Adj	\$ -	\$ -	\$0
52952	Net Pension Adjustment	\$ -	\$ -	\$0
<b>53000</b>	<b>Contractual Services</b>	\$ 395,000	\$ 340,000	-\$55,000
53121	Auditing Services	\$ 12,500	\$ 12,500	\$0
53122	Accounting Services	\$ 7,500	\$ 11,000	\$3,500
53123	Administrative Service	\$ 37,000	\$ 73,000	\$36,000
53140	Consults - Engineering	\$ 50,000	\$ 50,000	\$0
53145	Consults - General	\$ -	\$ -	\$0
53150	Legal Services	\$ 50,000	\$ 50,000	\$0
53152	Software Support	\$ 70,000	\$ 50,000	-\$20,000
53160	Medical	\$ 3,000	\$ 3,000	\$0
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	\$ 43,000	\$ 43,000	\$0
53220	VPDES Permit Fee	\$ 12,500	\$ 12,500	\$0
53320	Maintenance Service Contracts	\$ 50,000	\$ 10,000	-\$40,000
53600	Grounds Maintenance	\$ 25,000	\$ 25,000	\$0
<b>55000</b>	<b>Other Charges</b>	\$ 998,000	\$ 1,014,500	\$16,500
55050	Advertising	\$ 10,000	\$ 5,000	-\$5,000
55110	Electricity	\$ 450,000	\$ 450,000	\$0
55120	Natural Gas	\$ 15,000	\$ 15,000	\$0
55130	Solid Waste	\$ 3,500	\$ 3,500	\$0
55140	Water	\$ 8,500	\$ 10,000	\$1,500
55150	Storm Water (City of Petersburg)	\$ 6,500	\$ 6,500	\$0

55160	Biosolids Disposal	\$ 350,000	\$ 350,000	\$0
55210	Postage and Freight	\$ 15,000	\$ 25,000	\$10,000
55230	Telecommunications	\$ 16,500	\$ 16,500	\$0
55308	General Liability Insurance	\$ 70,000	\$ 70,000	\$0
55410	Lease/Rent of Equipment	\$ 11,000	\$ 11,000	\$0
55530	Meals and Lodging	\$ 2,000	\$ 2,000	\$0
55540	Education and Training	\$ 20,000.00	\$ 25,000.00	\$5,000
55550	Safety Supplies	\$ 20,000.00	\$ 25,000.00	\$5,000
55700	Grounds Maintenance			\$0
<b>56000</b>	<b>Materials and Supplies</b>	<b>\$ 1,192,000</b>	<b>\$ 1,245,100</b>	<b>\$53,100</b>
56001	Office Supplies	\$ 15,000	\$ 15,000	\$0
56004	Laboratory Supplies	\$ 55,000	\$ 56,100	\$1,100
56005	Process Chemicals	\$ 575,000	\$ 575,000	\$0
56006	Repair and Maintenance Supplies - IT	\$ 80,000	\$ 80,000	\$0
56007	Repair and Maintenance Supplies - Shop	\$ 355,000	\$ 395,000	\$40,000
56008	Vehicle and Equipment Fuels	\$ 25,000	\$ 25,000	\$0
56010	Janitorial Supplies	\$ 10,000	\$ 10,000	\$0
56011	Uniforms	\$ 19,000	\$ 24,000	\$5,000
56012	Dues and Subscriptions	\$ 38,000	\$ 35,000	-\$3,000
56015	Small Equipment Purchases	\$ 10,000	\$ 20,000	\$10,000
56016	Operation - Supplies - Maintenance	\$ 10,000	\$ 10,000	\$0
<b>57000</b>	<b>Equipment Replacement</b>	<b>\$ 538,000</b>	<b>\$ 727,000</b>	<b>\$189,000</b>
<b>58000</b>	<b>Nutrient Credit Purchases</b>	<b>\$ 550,000</b>	<b>\$ 187,500</b>	<b>-\$362,500</b>
<b>59000</b>	<b>Rate Stabilization Funds to be deposited to Capital Reserve Acct</b>			<b>\$0</b>
	<b>Total(Operations &amp; Maintenance)</b>	<b>\$ 6,484,600</b>	<b>\$ 6,393,600</b>	<b>-\$91,000</b>
	<b>Reserve policy (50% O&amp;M) (1)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$0</b>
	<b>ERRF (5% of Operations &amp; Maintenance) (2)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$0</b>
	<b>Capital Reserve Account (3)</b>	<b>\$ 2,250,000</b>	<b>\$ 2,500,000</b>	<b>\$250,000</b>
	<b>Debt Service</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$0</b>
	<b>Total</b>	<b>\$ 8,734,600</b>	<b>\$ 8,893,600</b>	<b>\$159,000</b>

Notes

- (1) Reserve Policy requirement is to maintain 50% O&M reserves. Reserve Policy account currently has 50% O&M
- (2) Equipment Replacement and Reserve Fund (ERRF) has > \$2.5 million. Per service agreement, the budget must include 5% O&M charge for ERRF until the account reaches \$2.5 million
- (3) Capital Reserve account is used to offset future capital expenditures.

**South Central Wastewater Authority  
Replacement Fund Budget - 57000  
FY21/22**

Acct#	Budget 20/21	Proposed Budget 21/22	INFORMATIONAL & PLANNING									
			22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	
57010 - Machinery & Equipment	\$ 140,000	\$ 292,000	\$ 160,000	\$ 250,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000
57020 - Instrumentation	\$ 88,000	\$ -	\$ 124,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
57030 - SCADA	\$ 15,000	\$ -	\$ -	\$ -	\$ 10,000	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000
57040 - Computer Hardware & Software	\$ 10,000	\$ -	\$ 15,000	\$ -	\$ 15,000	\$ -	\$ -	\$ 15,000	\$ -	\$ 15,000	\$ -	\$ -
57050 - Motor Vehicles	\$ 35,000	\$ -	\$ 150,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 39,333	\$ 34,000	\$ 31,000	\$ 30,000	\$ -
57055 - Equipment	\$ -	\$ 185,000	\$ 185,000	\$ 185,000	\$ 185,000	\$ 185,000	\$ 72,937	\$ 47,853	\$ 40,889	\$ 40,889	\$ 40,889	\$ -
57060 - Construction	\$ 250,000	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
57080 - Fixtures and Furniture	\$ -	\$ -	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Totals</b>	<b>\$ 538,000</b>	<b>\$ 727,000</b>	<b>\$ 634,000</b>	<b>\$ 555,000</b>	<b>\$ 380,000</b>	<b>\$ 365,000</b>	<b>\$ 242,937</b>	<b>\$ 227,187</b>	<b>\$ 199,889</b>	<b>\$ 211,889</b>	<b>\$ 205,889</b>	<b>\$ -</b>

NOTE: FY 20/21 TO BE APPROVED WITH BUDGET

**South Central Wastewater Authority  
Capital Budget  
FY21/22**

ITEM	Estimate	Budget 20/21	Proposed Budget 21/22	INFORMATIONAL & PLANNING									
				22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	
Nutrient Upgrade - Engineering (See Note 1.)	\$ 3,070,384	\$ 1,535,192	\$ 1,535,192										
Nutrient Upgrade - Bond (See Notes 2. and 3.)	\$ 35,000,000			\$ 2,575,000	\$ 2,575,000	\$ 2,575,000	\$ 2,575,000	\$ 2,575,000	\$ 2,575,000	\$ 2,575,000	\$ 2,575,000	\$ 2,575,000	
Capital Reserve Account (See Notes 4. and 5.)		\$ 2,250,000	\$ 2,500,000										
<b>Totals</b>		<b>\$ 2,250,000</b>	<b>\$ 2,500,000</b>	<b>\$ 2,575,000</b>	<b>\$ 2,575,000</b>	<b>\$ 2,575,000</b>	<b>\$ 2,575,000</b>	<b>\$ 2,575,000</b>	<b>\$ 2,575,000</b>	<b>\$ 2,575,000</b>	<b>\$ 2,575,000</b>	<b>\$ 2,575,000</b>	

NOTE:

- The purchase order has been issued for the Nutrient Upgrade - Engineering. This amount is funded and only illustrated for informational purposes. That is the reason it is not included in the "Totals"
- Bond Funding will be required for the Proposed Nutrient Upgrade Project. Debt service for the local share portion of the Nutrient upgrade was estimated at \$35 million over 20 years at 3%.
- The \$35 million is the proposed local share for the Nutrient project. The estimated total project cost including the local share is \$107.7 million.
- Nutrient Upgrade - Engineering for FY2021 and FY2022 is funded through the Capital Reserve Account as approved at the September 2020 Board meeting
- The Capital Reserve Account that is currently funding engineering for the Nutrient Project will end in FY21/22. The Nutrient Upgrade - Bond will be used to fund the local share debt service for the Nutrient Project.

Total Replacement and Construction Budget											
20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	
\$ 2,788,000	\$ 3,227,000	\$ 3,209,000	\$ 3,130,000	\$ 2,955,000	\$ 2,940,000	\$ 2,817,937	\$ 2,802,187	\$ 2,774,889	\$ 2,786,889	\$ 2,780,889	

**South Central Wastewater Authority  
Nutrient Credit Purchase - Acct # 58100  
FY21/22**

Acct# 58100	Budget 20/21	Proposed Budget 21/22	INFORMATIONAL & PLANNING									
			22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	
Contract + contingency	\$ 550,000	\$ 187,500	\$ 187,500	\$ 187,500	\$ 187,500	\$ 187,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

NOTE: FY 20/21 TO BE APPROVED WITH BUDGET

**SOUTH CENTRAL WASTEWATER AUTHORITY**

**FY 2021/2022 Budget**

Proposed: January 21, 2021

Approved: \_\_\_\_\_

Revised: \_\_\_\_\_

Revision 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: \$6,393,600.00**

Community	Petersburg	Colonial Heights	Chesterfield	Prince George	Dinwiddie
% O&M (1)	59.177%	17.792%	7.996%	6.209%	8.826%
O&M	\$ 3,783,556.53	\$ 1,137,529.17	\$ 511,223.03	\$ 397,000.77	\$ 564,290.51

**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: \$ 2,500,000.00**

% Participation	52.5%	20.0%	10.0%	7.5%	10.0%
Reserve Policy	\$ 1,312,500.00	\$ 500,000.00	\$ 250,000.00	\$ 187,500.00	\$ 250,000.00

<b>Annual Total</b>	<b>\$ 5,096,056.53</b>	<b>\$ 1,637,529.17</b>	<b>\$ 761,223.03</b>	<b>\$ 584,500.77</b>	<b>\$ 814,290.51</b>
O&M Due Monthly	\$ 315,296.38	\$ 94,794.10	\$ 42,601.92	\$ 33,083.40	\$ 47,024.21
ERRF Due Monthly	\$ -	\$ -	\$ -	\$ -	\$ -
Reserve policy Due Monthly	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Reserve Account	\$ 109,375.00	\$ 41,666.67	\$ 20,833.33	\$ 15,625.00	\$ 20,833.33
P&I Due Monthly	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Due Monthly</b>	<b>\$ 424,671.38</b>	<b>\$ 136,460.76</b>	<b>\$ 63,435.25</b>	<b>\$ 48,708.40</b>	<b>\$ 67,857.54</b>

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 2021/2022 Budget**

Proposed: January 21, 2021

Approved: \_\_\_\_\_

Revised: \_\_\_\_\_

Revision 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	59.177%	17.792%	7.996%	6.209%	8.826%	100.000%
Estimated Share of Operations & Maintenance	\$ 3,783,556.53	\$ 1,137,529.17	\$ 511,223.03	\$ 397,000.77	\$ 564,290.51	\$ 6,393,600.00
Share of Plant Capacity (%)	52.50%	20.00%	10.00%	7.50%	10.00%	100.00%
Share of Equipment Replacement Reserve Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserve Policy - (50% O&M)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Reserve Account	\$ 1,312,500.00	\$ 500,000.00	\$ 250,000.00	\$ 187,500.00	\$ 250,000.00	\$ 2,500,000.00
Share of Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Monthly Amount	\$ 424,671.38	\$ 136,460.76	\$ 63,435.25	\$ 48,708.40	\$ 67,857.54	\$ 741,133.33
Annual Total	\$ 5,096,056.53	\$ 1,637,529.17	\$ 761,223.03	\$ 584,500.77	\$ 814,290.51	\$ 8,893,600.00
Electrical Credit						\$ -
Miscellaneous Revenue - PROPOSE THIS REVENUE IS DEPOSITED TO A CAPITAL RESERVE FUND						\$ -
<b>Total Budget</b>						<b>\$ 8,893,600.00</b>

**Budget Comparison**

Locality	FY21/22 Budget	FY20/21 Budget	FY21/22 - FY20/21	
	Revenue	Revenue	Difference	
City of Petersburg	\$ 5,096,057	\$ 5,001,502	\$ 94,555	1.89%
City of Colonial Heights	\$ 1,637,529	\$ 1,622,363	\$ 15,167	0.93%
Chesterfield County	\$ 761,223	\$ 751,989	\$ 9,234	1.23%
Prince George County	\$ 584,501	\$ 579,244	\$ 5,257	0.91%
Dinwiddie County	\$ 814,291	\$ 779,503	\$ 34,788	4.46%
<b>Sub-totals</b>	\$ 8,893,600	\$ 8,734,600	\$ 159,000	1.885%
Deferred Debt (Petersburg)	\$ -	\$ -	\$ -	
Deferred Debt (Colonial Heights)	\$ -	\$ -	\$ -	
Deferred Debt (Prince George)			\$ -	
Electrical Credit	\$ -	\$ -	\$ -	
Miscellaneous Revenue	\$ -	\$ -	\$ -	
<b>Total Budget</b>	\$ 8,893,600.00	\$ 8,734,600.00	\$ 159,000.00	

**50% Reserve Policy:**  
Reserve Policy Calculation

SCWWA O&M Budget	O&M Reserves on June 30, 2020	Recommended 50% O&M Reserves	Charges required to achieve 50% reserves	Annual Charge
\$6,393,600	\$3,916,414.45	\$3,196,800.00	-\$719,614.45	0

**SCWWA Budget comparisons**

Year	(1) O&M Expenses	Replacement	Nutrients	(2) Debt Service	Reserve policy	(3) ERRF	Total	Difference	% change	Comments
20/21	\$ 5,396,600.00	\$ 538,000.00	\$ 550,000.00	\$ 2,250,000.00	\$ -	\$ -	\$ 8,734,600.00			
21/22	\$ 5,479,100.00	\$ 727,000.00	\$ 187,500.00	\$ 2,500,000.00	\$ -	\$ -	\$ 8,893,600.00	\$ 159,000.00	2%	
22/23	\$ 5,643,473.00	\$ 634,000.00	\$ 187,500.00	\$ 2,575,000.00	\$ -	\$ -	\$ 9,039,973.00	\$ 146,373.00	2%	
23/24	\$ 5,812,777.19	\$ 555,000.00	\$ 187,500.00	\$ 2,575,000.00	\$ -	\$ -	\$ 9,130,277.19	\$ 90,304.19	1%	
24/25	\$ 6,127,160.51	\$ 380,000.00	\$ 187,500.00	\$ 2,575,000.00	\$ -	\$ -	\$ 9,269,660.51	\$ 139,383.32	2%	added maint sup and mechanic + benefits
25/26	\$ 6,310,975.33	\$ 365,000.00	\$ 187,500.00	\$ 2,575,000.00	\$ -	\$ -	\$ 9,438,475.33	\$ 168,814.82	2%	should be last year purchasing credits

Notes:

- (1) Annual increase in operating expenses 3%
- (2) Debt Service stays constant. Projections assume bond payments start in FY23 (shown in red)
- (3) Equipment Replacement and Reserve Fund (currently fully funded at >\$2,500,000)

**SCWWA Projected Annual Cost**

**5 year projected annual cost per Participating Jurisdiction**

	Dinwiddie	Prince George	Colonial Heights	Chesterfield	Petersburg	total
5 year aver flows	8.826%	6.209%	17.792%	7.996%	59.177%	100.000%
Allocation	10.000%	7.500%	20.000%	10.000%	52.500%	100.000%
FY 22/23	\$ 828,090	\$ 594,558	\$ 1,665,228	\$ 774,430	\$ 5,177,668	\$ 9,039,973
FY 23/24	\$ 836,060	\$ 600,165	\$ 1,681,294	\$ 781,651	\$ 5,231,108	\$ 9,130,277
FY 24/25	\$ 848,362	\$ 608,820	\$ 1,706,093	\$ 792,795	\$ 5,313,591	\$ 9,269,661
FY 25/26	\$ 863,261	\$ 619,302	\$ 1,736,128	\$ 806,294	\$ 5,413,491	\$ 9,438,475

Note: Budget % based on five year average flows (FY15/16 to FY19/20)

**RESOLUTION**

**OF THE SOUTH CENTRAL WASTEWATER AUTHORITY  
APPROVING THE BUDGET FOR FISCAL YEAR 2022 AND  
THE RELATED PAYMENT SCHEDULE**

**WHEREAS**, in October, November and December of 2020 the staff of the South Central Wastewater Authority (the “Authority”) developed the Authority’s proposed budget and payment schedule for Fiscal Year 2022 and at the meeting held on January 21, 2021, presented the proposed budget and payment schedule to the Authority Board; and

**WHEREAS**, at the January 21, 2021 meeting the Authority Board provided its preliminary approval of the proposed budget and the proposed payment schedule for Fiscal Year 2022 and scheduled a public hearing to be held at this meeting held on March 18, 2021, in accordance with Virginia Code Section 15.2-5136(G); and

**WHEREAS**, the Authority Board held the public hearing on the proposed Fiscal Year 2022 budget and payment schedule at its meeting on March 18, 2021;

**NOW, THEREFORE, BE IT RESOLVED** that the Board of the South Central Wastewater Authority hereby approves (a) the Fiscal Year 2022 budget submitted as an attachment to this resolution and (b) the payment schedule for Fiscal Year 2022 as set forth below:

	FY2022 PAYMENTS
City of Petersburg	\$5,096,057
City of Colonial Heights	1,637,529
Chesterfield County	761,223
Prince George County	584,501
Dinwiddie County	814,291
<b>TOTAL</b>	<b>\$8,893,601</b>

**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 2022 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 2022.



900 Magazine Rd.  
Petersburg, VA 23803  
Office: (804) 861-0111  
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Exhibit D

TO: Board of Directors

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

DATE: March 18, 2021

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 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. 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.

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**

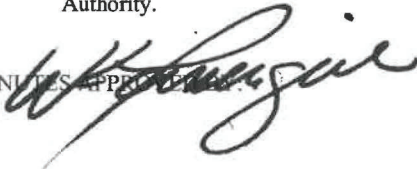
Ms. Ferrell-Benavides introduced March Altman as the new Deputy City Manager for Operations of Petersburg.

7. **Adjourn**

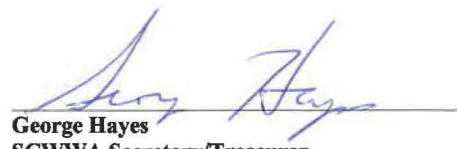
Upon a motion made by Mr. Massengill and seconded by Mr. Smith the meeting was adjourned at 3:00 p.m.

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.



900 Magazine Rd.  
Petersburg, VA 23803  
Office: (804) 861-0111  
Fax: (804) 861-3254

Exhibit E

TO: South Central Wastewater Authority Board of Directors

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

DATE: March 18, 2021

SUBJECT: Nutrient Project Update

Since the January meeting, the following effort has taken place on the Nutrient Project:

- Provided additional financial information to the Virginia Resources Authority (VRA) to illustrate the reserves in place, the amount we plan to borrow and the fact the estimated debt service is built into the current rates that participating members are currently paying.
- Provided financial information to the Clean Water Financing and Assistance Program (CWFAP) of DEQ to determine the interest rate if SCWWA decides to move forward with a loan from the Revolving Loan Fund.
- Numerous site visits by the engineer and Zoom meetings with operations' staff. The current discussions are centering on solids handling, site piping, preferred equipment and manufacturers, and air handling/requirements for process.
- Made presentations on alternate access road to SCWWA at public meetings and Zoom meetings held on February 11<sup>th</sup>, 16<sup>th</sup> and 17<sup>th</sup>. The public meetings were held at the Pocahontas Chapel on the island. The residents that attended the meetings were supportive of the proposed road through the City of Petersburg/Economic Development Authority (EDA) property (old Roper Property). Public input received was reflected in the proposed alignment. Friends of the Lower Appomattox River (FOLAR) participated in the Zoom meetings.
- Submitted the Dovetail archaeological survey and research to the Virginia Department of Historical Resources for review and approval. DHS approval of the report would allow us the use the area that the "magazine" occupied.
- Met with the chairman and vice chairman of the EDA on February 25<sup>th</sup> to review the proposed road alignment. The vice chairman requested we make a minor alignment shift to maximize the size of the northern parcel, which we did.
- Presented the proposed road alignment to full EDA at the March 4<sup>th</sup> meeting. At that meeting we requested access to get boots on the ground to perform a preliminary survey, take borings,

and determine if there was anything we could not overcome. That access was granted contingent on approval from City Council. We are scheduled to present to the City Council on March 16, 2021 We will most likely have Dovetail review this site also.

- Gained preliminary approval from the transmission section of VEPCO to allow underground gravity lines to the chlorine contact tank to encroach into the existing overhead transmission easement. We continue to work with the primary section of VEPCO to address the possible relocation of the overhead primary service serving the plant to underground to facilitate the installation of the new south reactor.
- To date, we have not seen the proposed grant agreement. Mr. Croker of DEQ did request additional copies of both the preliminary engineering report (PER) and value engineering report (VE) to be forwarded to additional staff in different offices in the state. As requested, hard copies were couriered to the requested offices.
- Upcoming milestones:
  - Draft grant agreement by the end of March.
  - The 30% design submittal is scheduled for release April 1<sup>st</sup>.



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### Exhibit F

TO: South Central Wastewater Authority Board of Directors

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

DATE: March 18, 2021

SUBJECT: Ongoing Projects\Operations

#### Operating Status Report

This report hits the highlights and does not cover the day-to-day maintenance or preventive maintenance summaries.

#### ➤ General

- The next scheduled Board of Directors Meeting is Thursday, May 20, 2021 at the Appomattox River Water Authority at 2:00 pm.
- Neither ice storm, February 12th or February 18th created problems for the plant. The SCWWA did not lose power during either event.
- On average, the SCWWA received 6 trucks of leachate per day for January 2021 and 7 trucks per day for February 2021. Revenues for January were \$72,854.52 and for February were \$75,713.53. Septage receiving billed \$12,406.71 in January and \$13,115.17 in February.
- The Authority and a member jurisdiction are currently working through a pending fine assessment on one of our Industrial Pretreatment Permits related to a FOG violation.
- SCWWA's annual total nitrogen (TN) waste load allocation (WLA) is 350,239 lbs. TN discharged through February 2021 was 90,272 lbs. We have a contract with Chesterfield to purchase 50,000 credits to cover any WLA overage.
- SCWWA's annual total phosphorus (TP) WLA is 28,404 lbs. TP discharged through February 2021 was 5,053 lbs.
- Evaluating our current camera and fencing effectiveness following recent events. Operations and Maintenance staff are inspecting the door around the plant to identify those needing repairs and those that should have cipher locks.
- Colorado truck that was taken from plant on 2/6/2021 was returned unharmed. Since the key was taken, we had the ignition switch changed.

#### ➤ Operations

- Plant effluent met all permit requirements for January and February 2021.
- The average daily effluent flow for January was 16.50 mgd and February was 21.11 mgd. Precipitation totals in January was 4.24 inches and February was 5.26 inches.

- Operations has filled the 2 vacant position. Operations is currently fully staffed.
- The wet weather has limited our contractor's ability to haul biosolids. Staff is monitoring the biosolids and working with NutriBlend to haul when the weather permits.
- Working with engineers to clean tanks for inspection as weather permits.

➤ Maintenance

- Recently lost several hydraulic cylinders off several different pieces of equipment. Cylinders have been sent out for repair.
- Belt Filter Press belt tore at seam. Staff has replaced the belt. We are getting less than six months of run time per belt.
- Receiving quotes to install local disconnects at the RAS pumps.
- Aeration drain pump has been removed and sent out for repair.
- We have filled the vacant mechanic position and are currently fully staffed.

➤ Instrumentation

- We have received the final drawing for PLC3 (Programmable Logic Controller) which controllers our blowers, hypochlorite, and bisulfite feeds.
- We have received a quote to replace PLC2. This PLC is scheduled for replacement this budget year and is the main PLC for the headworks equipment.
- Successfully upgraded the blower 4 safety interlock system. This is the second control panel to fail in the last 24 months. All 5 blowers are the same age.
- Built an emergency polymer feed system that can work for the Gravity Belt Thickener or Belt Filter Press. There are currently no backups for either system. This provides redundancy for both systems.
- An ARWA/SCWWA domain trust relationship has been setup between the two facilities. This should allow for smoother shared resources.

➤ Laboratory

- Semi-annual WET test scheduled for the week of 3/15/21.
- Proficiency Test samples will be received in April for the annual compliance testing.
- Walmart discharge permit renewal is in draft.
- Receiving renewal application for our haul waste permits.

➤ Drain Pump Station

- WW Associates is currently in the design phase of this project. Designs are close to final and the project will be bid soon, and we will have a recommendation for award at the May meeting. The SCWWA plans to prepurchase the pump station for this project. Project will be out to bid soon.

## Exhibit G

### South Central Wastewater Authority For Month Ending February 28, 2021

#### Assets

##### Current Assets

Petty Cash	\$	250
Wells Fargo Operating Account	\$	3,170,463
Payments In-Transit To LGIP Fund	\$	174,685
<b>Total Unrestricted Cash</b>	<b>\$</b>	<b><u>3,345,399</u></b>

Wells Fargo Reserve	\$	3,916,414
LGIP-ERRF	\$	2,710,468
LGIP_Capital Improvements Reserve	\$	8,193,675
<b>Total Restricted Cash</b>	<b>\$</b>	<b><u>14,820,557</u></b>

**Total Checking/Savings** **\$ 18,165,956**

Accounts Receivable	\$	173,041
Prepaid Expenses	\$	48,376
Long Term Receivable (Petgs/Legal)	\$	-

**Total Current Assets** **\$ 18,387,373**

##### Fixed Assets

Sewer System Plant	\$	35,565,964
Equipment & Vehicles	\$	2,545,521
Plant Machinery	\$	7,323,263
Construction in Progress	\$	-
Land	\$	92,968
Accumulated Depreciation	\$	(28,582,501)
<b>Total Fixed Assets</b>	<b>\$</b>	<b><u>16,945,215</u></b>

##### Other Assets

Inventory	\$	787,928
Def Out Res-Post ER Pension Con	\$	89,508
Deferred Outflows-GLI OPEB	\$	31,804
<b>Total Other Assets</b>	<b>\$</b>	<b><u>909,240</u></b>

#### Total Assets

**\$ 36,241,829**

#### Liabilities & Equity

##### Current Liabilities

Accounts Payable	\$	22,677
<b>Total Current Liabilities</b>	<b>\$</b>	<b>22,677</b>

##### Other Current Liabilities

Payroll Accruals	\$	247,612
Retainage Payable	\$	-
Accrue for Nutrient Credit Purchases	\$	366,667
Refunds Due Member Localities	\$	-
<b>Total Other Current Liabilities</b>	<b>\$</b>	<b><u>614,279</u></b>

##### Long Term Liabilities

Net OPEB Obligation	\$	86,824
Net OPEB Liability-GLI	\$	143,037
Def Infl-OPEB-Chg of Assumption	\$	55,582
Deferred Inflows-GLI OPEB	\$	14,043
Def Inf-Chg in Ex and Act	\$	(16,143)
Def Inf Res-Net Dif Pension Inv	\$	30,670
Def Inf Res-Pens Chg Assumption	\$	(89,997)
Def Inf Res-Pens Dif Proj/Act E	\$	41,121
Net Pension Liability	\$	201,913
<b>Total Long-Term Liabilities</b>	<b>\$</b>	<b><u>467,050</u></b>

#### Total Liabilities

**\$ 1,104,006**

#### Equity

Retained Earnings	\$	18,389,092
Initial Locality Contribution Cap.	\$	14,166,822

Net Income	\$	2,581,909
<b>Total Equity</b>	<b>\$</b>	<b>35,137,823</b>

#### Total Liabilities & Equity

**\$ 36,241,829**

South Central Wastewater Authority  
YTD Income Statement for the period ending February 28, 2021

Wastewater Rate Center  
Revenues and Expenses Summary

<i>Budget</i>	<i>Budget</i>	<i>Actual</i>	<i>YTD Budget</i>	<i>Variance</i>
<i>FY 20/21</i>	<i>Year-to-Date</i>	<i>Year-to-Date</i>	<i>vs. Actual</i>	<i>Percentage</i>

**Operating Budget vs. Actual**

**Revenues**

Septage/Misc Revenue	\$ -	\$ -	\$ 599,725	\$ 599,725	#DIV/0!
O&M Revenue	\$ 6,484,600	\$ 4,323,067	\$ 4,323,067	\$ 0	0.00%
Capital Improvements Reserve	\$ 2,250,000	\$ 1,500,000	\$ 1,500,000	\$ -	0.00%
ER&RF Revenue	\$ -	\$ -	\$ -	\$ -	#DIV/0!
<b>Total Operating Revenues</b>	<b>\$ 8,734,600</b>	<b>\$ 5,823,067</b>	<b>\$ 6,422,792</b>	<b>\$ 599,725</b>	<b>10.30%</b>

**Expenses**

Personnel Cost	\$ 2,811,600	\$ 1,874,403	\$ 1,811,074	\$ (63,328)	-3.38%
Contractual/Professional Services	\$ 405,000	\$ 270,000	\$ 187,022	\$ (82,978)	-30.73%
Utilities	\$ 483,500	\$ 322,333	\$ 253,369	\$ (68,964)	-21.40%
Communication/Postage/Freight	\$ 31,500	\$ 21,000	\$ 22,119	\$ 1,119	5.33%
Office/Lab/Janitorial Supplies	\$ 80,000	\$ 53,336	\$ 41,640	\$ (11,696)	-21.93%
Insurance	\$ 70,000	\$ 70,000	\$ 63,281	\$ (6,719)	-9.60%
Lease/Rental Equipment	\$ 11,000	\$ 7,333	\$ 3,886	\$ (3,447)	-47.01%
Travel/Training/Dues	\$ 60,000	\$ 39,996	\$ 26,236	\$ (13,760)	-34.40%
Safety/Uniforms	\$ 39,000	\$ 26,000	\$ 25,205	\$ (795)	-3.06%
Chemicals/Sludge Disposal	\$ 925,000	\$ 616,665	\$ 500,403	\$ (116,262)	-18.85%
Repair/Maintenance Parts & Supplies	\$ 480,000	\$ 320,001	\$ 309,470	\$ (10,531)	-3.29%
<b>Total Operating Expenses</b>	<b>\$ 5,396,600</b>	<b>\$ 3,621,068</b>	<b>\$ 3,243,706</b>	<b>\$ (377,362)</b>	<b>-10.42%</b>
<b>Operating Surplus/(Deficit)</b>	<b>\$ 3,338,000</b>	<b>\$ 2,201,999</b>	<b>\$ 3,179,086</b>	<b>\$ 977,087</b>	<b>44.37%</b>

**Replacement Outlay Budget vs. Actual**

Machinery & Equipment	\$ 140,000	\$ 93,336	\$ 74,281	\$ (19,055)	-20.42%
Instrumentation	\$ 88,000	\$ 58,664	\$ 2,125	\$ (56,539)	-96.38%
SCADA	\$ 15,000	\$ 10,000	\$ 10,625	\$ 625	6.25%
Computer Equipment	\$ 10,000	\$ 6,667	\$ -	\$ (6,667)	-100.00%
Motor Vehicles	\$ 35,000	\$ 23,332	\$ 37,241	\$ 13,909	59.61%
Construction	\$ 250,000	\$ 166,668	\$ -	\$ (166,668)	-100.00%
Special Studies	\$ -	\$ -	\$ -	\$ -	#DIV/0!
<b>Total Replacement Outlay</b>	<b>\$ 538,000</b>	<b>\$ 358,667</b>	<b>\$ 124,272</b>	<b>\$ (234,395)</b>	<b>-65.35%</b>

**Nutrient Upgrade Budget vs. Actual**

Nutrient Upgrade-Engineering	\$ -	\$ -	\$ 192,285	\$ 192,285	#DIV/0!
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**Other Income/Expense Budget vs. Actual**

Nutrient Credit Purchases (Expense)	\$ 550,000	\$ 366,668	\$ 366,667	\$ (1)	0.00%
Nutrient Reduction	\$ -	\$ -	\$ 5,048	\$ 5,048	#DIV/0!
Interest-Income	\$ -	\$ -	\$ 13,983	\$ 13,983	#DIV/0!
Gain/Loss on Disposal	\$ -	\$ -	\$ -	\$ -	#DIV/0!
Other Income-Other	\$ -	\$ -	\$ 297	\$ 297	#DIV/0!
Alum Litigation Proceeds (Income)	\$ -	\$ -	\$ 66,717	\$ 66,717	#DIV/0!