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

South Central Wastewater Authority

Board of Directors Meeting

DATE: **May 17, 2018**

TIME: **2:00 PM**

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

AGENDA

1. Call to Order/Roll Call
2. Approval of Minutes: Minutes of the Regular Meeting of the Board on March 15, 2018
3. Public Comment
4. Executive Director's Report:
    - No Report this Month
    - Status Report: Ongoing Projects/Financials
5. Approval of Proposed Fiscal Year 2018-2019 Budget
6. Approval of Transitioning to the Commonwealth of Virginia 457 Deferred Compensation Plan
7. Items from Counsel
8. Closed Session
9. Other Items from Board Members/Staff Not on Agenda
10. Adjourn

Cc:W. Dupler/George Hayes, Chesterfield
L. Lyons, Petersburg
W. Henley, Colonial Heights
F. Haltom, Prince George
K. Massengill, Dinwiddie County
A. Anderson, McGuire Woods

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

2. **Approval of Minutes: Minutes of the Regular Meeting of the Board on March 15, 2018**

   Following are the minutes of the Regular Meeting of the South Central Wastewater Authority Board of Directors on March 15, 2018.

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

BOARD OF DIRECTORS MEETING

South Central Wastewater Authority
March 15, 2018 at 2:00 p.m.
Location: South Central Wastewater Authority
900 Magazine Road, South Chesterfield, Virginia 23803

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

ABSENT:
Aretha Ferrell-Benavides, (Petersburg)
Jerry Byerly, (Alternate, Petersburg)
William Henley, (Alternate, Colonial Heights)
William Dupler, (Alternate, Chesterfield)

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

OTHERS:
Chris Tabor, (Hazen & Sawyer)
Dennis Morris, (Crater PDC)
Mike Wooden, (Arcadis)

Mr. Ashcraft, Chairman, called the meeting to order at 2:10 p.m.

1. Call to Order/Roll Call.

The roll was called.

2. Approval of Minutes: Minutes of the Regular Meeting of the Board on January 25, 2018

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

RESOLVED, that the minutes of the Regular Meeting of the Board on January 25, 2018 are hereby approved:

For: 4 Against: 0 Abstain: 0

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

There were no public comments. Mr. Ashcraft opened the proposed 2018 Budget Public Hearing and there being no public comments the Budget Public Hearing was closed at 2:14 p.m. Dr. Wichser stated the Budget was public noticed in the Progress-Index newspaper and we received no comments. He further stated Board final adoption of the Budget will be held at the May 17, 2018 Board meeting.

4. Executive Director's Report

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

Mr. Gordon reported on the Status Report.

Mr. Gordon stated that recently there was a news report on WTVR Channel 6 about odors in the Tri Cities. He further stated there was a statement made by the Virginia Department of Environmental Quality (DEQ). When asked if the landfill is to blame for all the odor, Mr. Jeff Steers replied "I wouldn't say that we could say that exclusively. Occasionally, we've noticed sewage odors from the Wastewater Treatment Facility or from pump stations." Mr. Gordon stated we have never heard anything from DEQ about odor complaints against the SCWWA from them or anyone else. Dr. Casey suggested that every so often have someone from DEQ attend Board meeting so that we can ask questions to the source. Mr. Ashcraft stated it warranted clarification from SCWWA with DEQ. Dr. Wichser stated we would get in contact with Mr. Steers to discuss this item. Mr. Gordon stated we had a citizen contact us and there was an email sent out which was a general statement. Mr. Ashcraft stated to let Board know the results of the conversations.

Mr. Gordon stated we had a minor employee related accident at the end of last year, where one of our employees was pouring concrete and the concrete powder dust blew into his eyes. He went to the doctor and had to use eye drops. Mr. Gordon stated this prompted an inspection by the Virginia Occupational Safety & Health (VOSH). He further stated that there is a new OSHA silica standard that triggered this incident into a VOSH health and safety inspection. Mr. Gordon

stated what came out of the VOSH inspection is that SCWWA is in great shape pertaining to employee safety & health compliance.

Dr. Wichser stated he hoped the localities continue to pay their monthly invoices on time. Ms. Wilkins stated there were changes in internal accounting procedures which slowed down one of our members' payment. She further stated the goal is all members understand that by fiscal year end of June 30, that we have received all payments which allows us to close the books out efficiently for the fiscal year end.

5. Items from Counsel

There were no Items from Counsel.

6. Closed Session

There will be a Closed Session during ARWA's meeting.

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

- **Special Meeting on April 26**

  Dr. Wichser stated this is only for the approval of the SCWWA warehouse construction award.

8. Adjourn

Upon a motion made by Mr. Smith and seconded by Mr. Wilson the meeting was adjourned 2:28 p.m. to reconvene at a special meeting on April 26, 2018 at 2:00 p.m.

The next Special Meeting is scheduled for Thursday, April 26, 2018 at 2:00 p.m. at the Appomattox River Water Authority.

MINUTES APPROVED BY:

_____

George Hayes
Secretary/Treasurer

3. Public Comment

The Guidelines for Public Comment are:

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

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

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

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

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

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

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

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

- **No Report this Month**

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

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

MEMORANDUM

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

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

SUBJECT: **STATUS REPORT – ON-GOING PROJECTS**

DATE: **MAY 17, 2018**

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

Wastewater Treatment Plant Improvements, Phase 2

- Contractor installed the rollup door and then demobilized awaiting equipment delivery.
- Scum concentrators are onsite, but have not received the grit concentrators.
- The Contractor indicated that they would remobilize on May 14, 2018. They plan to have two crews onsite to perform clarifier grout repair while working on the installation of the scum concentrators

Warehouse Project

- Warehouse project is currently being rebid with qualification requirements, design changes, and additional building manufacturer's being added.
- Bid opening date is scheduled for May 23, 2018.
- We are currently awaiting City of Petersburg site approval.

MEMORANDUM

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

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

SUBJECT: **OPERATING & FINANCIAL STATUS REPORT**

DATE: **MAY 17, 2018**

Operating Status Report:

General:

- The next scheduled Board of Directors meeting is June 14, 2018 at the Appomattox River Water Authority at 2:00 pm.
- The Authority continues to receive only receiving 1 load of Leachate per day.
- The combined Authority safety manual has been completed and distributed.
- Instrumentation application are being received and reviewed.
- Performance evaluations are ongoing.

Status of Nutrient Waste-load

- Total Phosphorus (TP)
    - Waste-load allocation Total Phosphorus: 28,404 lbs. on a calendar basis.
    - Proportional waste-load through April 2018 = 9,468 lbs. Total actual waste-load through April 2018 was 8,195lbs. (At this time, the SCWWA is 1,273 lbs. of TP under our expected waste-load allocation for this point in the year)
- Total Nitrogen (TN)
    - Waste-load allocation Total Nitrogen: 350,239 lbs. on a calendar basis
    - Proportional waste-load through April 2018 = 116,746 lbs. Total actual waste-load through April 2018 was 155,326 lbs. (At this time, the SCWWA is 38,580 lbs. of TN over our expected waste-load allocation for this point in the year.)
    - Note: The SCWWA is locked-in to purchasing an additional 167,685 credits for 2018.

Operations:

- Plant effluent met all discharge permit requirements for the months of March and April. Copies of the discharge monitoring reports (DMR's) for the VPDES permit and the general permit are available.
- Synagro recently hauled away the solids from the pad at the request of staff.
- The VA-DOLI has issue their inspection report and there were no findings to report.
- The caustic feed lines have been upgraded to stainless steel.
- Staff is preparing secondary clarifier 1 for the Contractor work scheduled the week of May 14, 2018.

Maintenance:

- Staff is arranging for the bag filter and dumpster to handle scum during the Phase 2 upgrade
- Voltage drop test for the facility was performed in-house.
- Preparing to repair the leaking boot on Blower #2
- Preparations are being made to safely begin repairing Live Bottom Bin #1.

Instrumentation

- Servers are being transferred to the new server rack

- Staff is assisting the ARWA Instrumentation with the new FWPS2 instrument relocation.

Laboratory

- Arranging for the replacement of one of the fume hood exhaust fans.
- Tracking status of the local limit study being performed by Hazen.

Financial Status Report:

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

South Central Wastewater Authority
YTD Income Statement for the period ending April 30, 2018

Wastewater Rate Center
Revenues and Expenses Summary

	Budget FY 17/18	*Budget Year-to-Date*	*Actual Year-to-Date*	*Budget vs. Actual*	*Variance Percentage*
Operating Budget vs. Actual					
Revenues					
Septage/Misc Revenue	$ 1,500,000	$ 1,250,000	$ 949,350	$ (300,650)	-24.05%
O&M Revenue	$ 7,084,300	$ 5,903,583	$ 5,903,583	$ 0	0.00%
Reserve Policy	$ 685,868	$ 571,557	$ 571,556	$ (0)	0.00%
ER&RF Revenue	$ 429,215	$ 357,679	$ 357,679	$ (0)	0.00%
Total Operating Revenues	**$ 9,699,383**	**$ 8,082,819**	**$ 7,782,169**	**$ (300,650)**	**-3.72%**
Expenses					
Personnel Cost	$ 2,629,500	$ 2,191,250	$ 2,219,019	$ 27,769	1.27%
Contractual/Professional Services	$ 346,300	$ 291,661	$ 174,290	$ (117,371)	-40.24%
Utilities	$ 247,924	$ 408,333	$ 364,903	$ (43,430)	-10.64%
Communication/Postage/Freight	$ 20,000	$ 23,333	$ 23,000	$ (334)	-1.43%
Office/Lab/Purification Supplies	$ 73,500	$ 62,583	$ 49,715	$ (12,868)	-20.56%
Insurance	$ 65,000	$ 65,000	$ 61,190	$ (3,810)	-5.86%
Lease/Rental Equipment	$ 11,000	$ 9,167	$ 7,157	$ (2,010)	-21.92%
Travel/Training/Dues	$ 63,600	$ 63,600	$ 35,897	$ (27,703)	-43.56%
Safety/Uniforms	$ 41,500	$ 34,583	$ 28,490	$ (6,094)	-17.62%
Chemicals/Sludge Disposal	$ 910,000	$ 758,333	$ 590,506	$ (167,827)	-22.13%
Repair/Maintenance Parts & Supplies	$ 492,500	$ 410,417	$ 312,910	$ (97,506)	-23.76%
Total Operating Expenses	**$ 4,900,824**	**$ 4,318,261**	**$ 3,867,078**	**$ (451,183)**	**-10.45%**
Operating Suplus/(Deficit)	**$ 4,798,559**	**$ 3,764,558**	**$ 3,915,091**	**$ 150,533**	**4.00%**
Replacement Outlay Budget vs. Actual					
Machinery & Equipment	$ 350,000	$ 291,667	$ 125,130	$ (166,537)	-57.10%
Instrumentation	$ 43,500	$ 36,250	$ 2,430	$ (33,820)	-93.30%
SCADA	$ 36,000	$ 30,000	$ 24,361	$ (5,639)	-18.80%
Computer Equipment	$ 25,600	$ 21,333	$ 17,044	$ (4,289)	-20.11%
Motor Vehicles	$ 75,000	$ 62,500	$ 65,359	$ 2,859	4.57%
Construction	$ 1,540,000	$ 1,283,333	$ 916,880	$ (366,453)	-28.55%
Special Studies	$ 35,000	$ 29,167	$ 10,268	$ (18,898)	-64.79%
Total Replacement Outlay	**$ 2,105,100**	**$ 1,754,250**	**$ 1,161,472**	**$ (592,778)**	**-33.79%**
Other Income/Expense Budget vs. Actual					
Nutrient Credit Purchases (Expense)	**$ 860,000**	**$ 716,667**	**$ 719,792**	**$ 143,333**	**20.00%**
Nutrient Reduction	**$ -**	**$ -**	**$ 4,342**	**$ -**	**#DIV/0!**
Interest-Jurisdictions (Income)	**$ -**	**$ -**	**$ (220,864)**	**$ (220,864)**	**#DIV/0!**

South Central Wastewater Authority

For Month Ending April 30, 2018

Assets			
Current Assets			
	Petty Cash	$	250
	Wells Fargo Operating Account	$	2,718,435
	Total Unrestricted Cash	**$**	**2,718,685**
	Wells Fargo Reserve	$	3,802,103
	Wells Fargo Capital Improvement Reserve	$	1,989,616
	ERRF	$	2,834,306
	Total Restricted Cash	**$**	**8,626,025**
	Total Checking/Savings	**$**	**11,344,710**
	Accounts Receivable	**$**	**6,414**
	Long Term Receivable (Petgs/Legal)	**$**	-
Total Current Assets		**$**	**11,351,124**
Fixed Assets			
	Sewer System Plant	$	33,352,033
	Equipment & Vehicles	$	2,974,264
	Plant Machinery	$	7,408,956
	Construction in Progress	$	1,907,962
	Land	$	92,968
	Accumulated Depreciation	$	(27,480,849)
Total Fixed Assets		**$**	**18,255,333**
Other Assets			
	Inventory	$	656,081
	Pension	$	113,903
Total Other Assets		**$**	**769,985**
Total Assets		**$**	**30,376,442**
Liabilities & Equity			
Current Liabilities			
	Accounts Payable	$	22,570
Total Current Liabilities		**$**	**22,570**
Other Current Liabilities			
	Payroll Accruals	$	216,180
	Retainage Payable	$	-
	Suspense-Clearing Account	$	677,899
	Refunds Due Member Localities	$	-
Total Other Current Liabilities		**$**	**894,079**
Long Term Liabilities			
	Net OPEB Obligation	$	71,800
	Def Inf Res-Net Dif Pension Inv	$	100,446
	Net Pension Liability	$	495,295
Total Long-Term Liabilities		**$**	**667,541**
Total Liabilities		**$**	**1,584,189**
Equity			
	Retained Earnings	$	12,808,125
	Initial Locality Contribution Cap.	$	14,166,822
	Net Income	$	1,817,306
Total Equity		$	28,792,253
Total Liabilities & Equity		**$**	**30,376,442**

MEMORANDUM

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

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

SUBJECT: **INFLOW AND INFILTRATION**

DATE: **MAY 17, 2018**

March 2018 was low for the amount of rainfall typical seen and April 2018 brought more rain than we have seen in an April for the last seven years shown. The most significant rain event for April 2018 were on April 15 (2.11") and April 24 (1.2"). After both of these rain event the flows in the plant doubled within 48 hours.

Month	Rainfall (inches)	Average Flow (mgd)
April 2017	1.46	11.152
May 2017	6.88	12.444
June 2017	2.19	10.264
July 2017	4.38	9.741
August 2017	8.78	13.098
September 2017	1.27	11.028
October 2017	3.64	8.988
November 2017	1.52	9.464
December 2017	1.43	9.487
January 2018	3.69	11.842
February 2018	2.64	13.606
March 2018	2.94	12.093
April 2018	4.73	11.974

PRIMARY FLOW DATA

February	2018	2017	2016	2015	2014	2013	2012
Minimum (mgd)	9.233	9.061	9.535	10.890	10.367	10.972	9.693
Maximum (mgd)	20.216	20.181	11.498	23.441	22.924	17.729	16.078
Average (mgd)	11.974	11.681	10.379	13.098	13.307	13.391	10.887
Rainfall (inches)	4.73	1.46	2.55	4.24	3.64	4.42	2.76

5. Approval of Proposed Fiscal Year 2018-2019 Budget

Following is a memorandum concerning approval of the Proposed Fiscal Year 2018-2019 Budget.

MEMORANDUM

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

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

SUBJECT: APPROVAL OF FISCAL YEAR 2019 BUDGET

DATE: MAY 17, 2018

At the January 18, 2018 Board Meeting, the proposed budget was presented and discussed in detail. The budget has been twice publicly advertised and the budget's public meeting was held during the March 15, 2018 Board of Directors meeting.

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

As a recap, the proposed annual budget revenues for FY 2018/2019 ($8,199,100) are decreasing for the South Central members (-$1,500,283) from FY 2017/2018 budget. In addition, miscellaneous revenues resulting from leachate for FY2018/2019 are decreasing (-$1,500,000) from FY2017/2018. Funds requested for the Replacement Fund are decreasing from $2.1051M to $0.636M. The 50% O&M reserve policy is full and no funds are needed for this fiscal year.

On Sunday February 18th & 25th 2018, the South Central Wastewater Authority advertised in the Progress Index and the budget has been posted on the SCWWA website:

SOUTH CENTRAL WASTEWATER AUTHORITY PROPOSED BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2019

Notice is hereby given that the Board of the South Central Wastewater Authority (the "Authority") will hold a public hearing for informative and fiscal planning purposes to consider the following proposed budget for the fiscal year ending June 30, 2019 ("FY2019") including the estimated amounts to be paid by each of the Authority's five member jurisdictions and other users. The public hearing allows the public to question and comment on the proposed budget and estimated charges.

The meeting, which may be continued or adjourned, will be held after the conclusion of the meeting of the Appomattox River Water Authority, which is scheduled to begin at 2:00 o'clock p.m. on March 15, 2018, before the Board, in the South Central Wastewater Authority Board Room at 900 Magazine Road, in Petersburg, Virginia. Any person interested may appear at the meeting and present their views. Information regarding the proposed budget is on file and is open for inspection at the South Central Wastewater Authority's office at 900 Magazine Road, Petersburg, Virginia, during business hours.

PROPOSED BUDGET

REVENUES

Chesterfield County	$699,349
City of Colonial Heights	1,659,787
Dinwiddie County	693,327
City of Petersburg	4,576,617

Prince George County	570,020
TOTAL REVENUES	$8,199,100

*Miscellaneous Revenue Rates

- Septage rate = greater of $25/truck or $0.05/gallon offloaded
- Leachate rate = $0.085+/gallon offloaded

EXPENSES	
Operating and Maintenance Expenses:	
Salary	$1,900,000
Employee Benefits	800,000
Contractual Services	339,000
Other Charges (Utilities, Insurance, Fuel, Training)	972,400
Materials and Supplies	1,194,700
Equipment Replacement	636,000
Nutrient Credit Purchases	617,000
Additional FY18 O&M Reserves….	1,740,000
Reserve Policy	0
Emergency Repair & Replacement Fund	0
TOTAL EXPENSES	$8,199,100

REVENUE DETAIL BY MEMBER JURISDICTION

	PRESENT FY2018 PAYMENTS	PROPOSED FY2019 PAYMENTS	ANNUAL Cash Difference	% Difference
City of Petersburg	$4,511,705	$4,576,617	$64,912	1.44%
City of Colonial Heights	$1,707,986	$1,659,787	-$48,199	-2.82%
Chesterfield County	$745,223	$699,349	-$45,874	-6.16%
Prince George County	$550,486	$570,020	$19,534	3.55%
Dinwiddie County	$683,983	$693,327	$9,344	1.37%
TOTAL	$8,199,383	$8,199,100	-283	

Pursuant to the wastewater service agreement in effect between the Authority and each of its five member jurisdictions, the proposed budget as set forth above is subject to change during or after each fiscal year based on, among other things, each participating member's actual use of the Authority's wastewater treatment facilities and the actual amounts of revenues received and expenses incurred by the Authority during FY2019.

Board Action Requested:

Staff respectfully recommends that the Board of Directors adopt the advertised budget setting forth rates and charges for Fiscal Year 2019.

6. Approval of Transitioning to the Commonwealth of Virginia 457 Deferred Compensation Plan

Following is a memorandum concerning transitioning the Authorities 457 Deferred Compensation Plan to the Commonwealth of Virginia.

Appomattox River Water Authority
21300 Chesdin Road
S. Chesterfield, VA 23803
(804) 590-1145

South Central Wastewater Authority
900 Magazine Road
Petersburg, VA 23803
(804) 861-0111

MEMORANDUM

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

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

FROM: **MELISSA WILKINS, BUSINESS/OFFICE MANAGER**

SUBJECT: **TRANSITION TO COMMONWEALTH OF VIRGINIA 457 DEFERRED COMPENSATION PLAN**

DATE: **MAY 17, 2018**

BACKGROUND:

The Authorities currently offer as one of its Employee Benefits an agreement with Nationwide Insurance Company that allows employees to invest in a 457 Deferred Compensation Plan on a pre-tax basis. This agreement and offering have been in place since July 2012. Staff regularly reviews the performance of the portfolio and the costs associated with the management of the portfolio. The Authorities do not presently offer a cash match to this plan. Staff recently reached out to VRS and requested an overview of their current 457 Plan that is managed by ICMA. Staff recently met with ICMA representatives and has conferenced with VRS representatives. The VRS plans offers a wider range of investment options and its costs are significantly less than those of Nationwide. The VRS plan also reduces fiscal liability and fiduciary responsibility to the Authorities.

BOARD ACTION REQUESTED:

Staff recommends that the Board approve the Executive Director to undertake notice and termination of the Authorities current agreement with Nationwide as the provider for the 457 Deferred Compensation Plan and to subsequently roll-over the program into the Commonwealth of Virginia's 457 Deferred Compensation Plan. Staff requests that the Chairman execute the following resolution.

NOTE: The language in this resolution has been approved by VRS Benefits Counsel and is not subject to modification.

Virginia Retirement System

VIRGINIA RETIREMENT SYSTEM
P.O. Box 2500
Richmond, VA 23218-2500

Commonwealth of Virginia 457 Deferred Compensation Plan Resolution

WHEREAS, the [insert Locality, School Division, or Other Political Subdivision Name] South Central Wastewater Authority (the "Employer"), acting by and through [insert name of governing body] South Central Wastewater Authority Board of Directors, desires to adopt the Commonwealth of Virginia 457 Deferred Compensation Plan (the "Plan") for its employees as defined in the adoption agreement between the Employer and the Virginia Retirement System (the "VRS"); and

WHEREAS, the Plan, which includes both Roth and Traditional options, is authorized by the *Code of Virginia* § 51.1-600 et seq. and Internal Revenue Code § 457(b), and political subdivisions are authorized to participate in such Plan by the *Code of Virginia* § 51.1-603.1; and

NOW, THEREFORE, BE IT RESOLVED, that the Employer hereby approves the adoption of the Plan for its employees in accordance with applicable law and policy; and

BE IT FURTHER RESOLVED, that the Employer's staff is hereby directed to implement the Plan effective the first day of [insert month and year] July 2018 but no sooner than the date established and confirmed by VRS.

NOW, THEREFORE, the officers of the Employer are hereby authorized and directed in the name of the Employer to carry out the provisions of this resolution, enter an adoption agreement with VRS, and pay such sums as are due to be paid by the Employer for this purpose.

_____
Governing Body Chair

CERTIFICATE

I, [insert name] _____, [insert title] _____ of the Employer, certify that the foregoing is a true and correct copy of a resolution passed at a lawfully organized meeting of the Employer held at [insert county/city/town] _____, Virginia at [insert time] _____ on [insert date] _____ _____, 20__. Given under my hand and seal of the Employer this _____ day of _____, 20__.

_____
Signature

7. **Items from Counsel**

8. **Closed Session**

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

10. **Adjourn**