



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

South Central Wastewater Authority

Board of Directors Meeting

DATE: January 16, 2019

TIME: 2:30 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 Board Meeting held on November 15, 2018
3. Public Comment
4. Executive Director's Report
 - Work Plan Summary/Update: January 1, 2019 to June 30, 2019
 - Presentation of Proposed FY 2019/20 Operating Budget
 - Status Report: Ongoing Projects/Operations/Financials/I&I/Leachate
5. Items from Counsel
6. Closed Session
7. Other Items from Board Members/Staff Not on Agenda
8. Adjourn

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

1. Call to Order/Roll Call

2. Approval of Minutes: Minutes of the Board Meeting held on November 15, 2018

Following for your review and approval are the minutes of the Regular Board Meeting held on November 15, 2018.

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

BOARD OF DIRECTORS MEETING

South Central Wastewater Authority

November 15, 2018 at 2:00 p.m.

Location: Eastside Enhancement Center

7301 Boydton Plank Road, North Dinwiddie, Virginia 23803

PRESENT:

Percy Ashcraft, Chairman (Prince George)
Douglas Smith, Vice Chairman (Colonial Heights)
George Hayes, Secretary/Treasurer (Alternate, Chesterfield)
Joseph Casey, (Chesterfield)
Robert B. Wilson, (Dinwiddie)
Aretha Ferrell-Benavides, (Petersburg)
Kevin Massengill, (Alternate, Dinwiddie)
Lionel Lyons, (Alternate, Petersburg)
Frank Haltom, (Alternate, Prince George)

ABSENT:

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)
Arthur Anderson, (McGuire Woods)
Melissa Wilkins, Accounting/Office Manager (ARWA & SCWWA)
Kathy Summerson, Administrative Assistant (SCWWA)

OTHERS:

Denny Morris, (Crater Region Planning Commission)
Matthew McLearen, (Robinson, Farmer, Cox Associates)
Greg Akers, (Chesterfield County)
Chris Meade, (Chesterfield County)

Mr. Ashcraft, Chairman, called the meeting to order at 3:52 p.m.

1. Call to Order/Roll Call.

The roll was called.

2. Approval of Minutes: Revised Minutes of the August 16, 2018 and Minutes of the Rescheduled September Board meeting held on October 18, 2018

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

RESOLVED, that the Revised Minutes of the August 16, 2018 and Amended Minutes of the Rescheduled September Board meeting held on October 18, 2018 are hereby approved:

For: 5 Against: 0 Abstain: 0

3. Public Comment

There were no Public Comments.

4. Executive Director's Report:

• Annual Financial Report Year Ended June 30, 2018: Robinson, Farmer, Cox Associates

Dr. Wichser introduced Matthew McLearen of Robinson, Farmer, Cox Associates who provided a presentation on SCWWA's Annual Financial Accounting Audit. Mr. McLearen stated SCWWA received a clean compliance report from VRS, which has been submitted to the Auditor of Public Accountants. Mr. Wilson asked if Mr. McLearen stated for ARWA it's an asset and for SCWWA it's a liability, and if both Authorities were paying the same percentage. Ms. Wilkins answered no as ARWA joined the VRS later than SCWWA did, so their rate is different for the contribution on the employee's behalf. Mr. Wilson stated ARWA joined later but has the asset, and Ms. Wilkins replied that over the past couple of years we have had several significant retirees, so that reduced the liability. She stated those individuals had thirty plus years with the Authority, so once they retired that liability dropped tremendously.

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

RESOLVED, that the financial statements are hereby approved as amended (naming configuration of South Central Wastewater Authority balance sheet):

For: 5 Against: 0 Abstain: 0

• True-Up Discussion for Financial year Ending June 30, 2018

Mr. Gordon reported on the annual true-up that is completed each year depending on the audit numbers. He stated that we provide the actual flow percentages at the end of the year to the auditors, and they provide us with the breakdown of the actual expenses. He further stated that we receive flow numbers from our members, and then use their numbers and compile those to calculate the member's actual O&M percentages. He stated each year the percent O&M for the budget is based on the five-year flow average, so we take out the highs and the lows. He further stated that this year you will see a neutral budget. He stated that in March of 2018, we came to the Board and informed the Board that leachate had dried up, and we would not be able to receive the leachate revenues that we had placed into the budget. He further stated that at that time, the Board did approve up to \$600,000 of revenue to come out of the Capital Reserve Fund to offset the lack of landfill leachate revenue. Mr. Gordon stated we only needed to use \$253,000 to cover expenses due to the loss of landfill leachate revenue. He further stated this is based on a neutral budget, and we needed all the money we had budgeted from our membership.

Dr. Casey stated we start our fiscal year in July 2017 and now we are in November of 2018, and it would seem that it would help out all of us if there were a better interim reporting of this, so if there are changes that are going to arise backwards or forwards, that we can make ourselves aware for ourselves or figure out ways to pivot during the year. He further stated it seems like there should be a way to project it.

Dr. Wichser stated we started meeting with Petersburg in August/September to brief them on our findings. Dr. Casey stated that's still twelve months after the start of the year. Dr. Wichser stated we met with the Public Works Director, Consulting Engineers to make sure the flows were correct and then again went back to the City of Petersburg to confirm. Mr. Gordon stated usually he received the flows from all the members, and, if something looks out of balance with what we are used to seeing, he'll go back to them and ask if the flow numbers are right. He further stated in this instance Petersburg was having some issues with their flow meters and getting the proper numbers down. He stated they resolved that issue and we're doing much better getting the flow numbers from them. He further stated there were some calibration errors, and they had to have that addressed. He stated the "True-Up" breakdown presented for Petersburg was adjusted for those calibration errors. Mr. Ashcraft asked when do you determine the actual numbers, and Mr. Gordon stated we had to wait for the outside accounting audit to be completed to get the final number. He further stated we could know the flow percentages and how they are moving forward, but until we get the final number from the outside accountants, we won't know the dollar amount that we need to true-up.

Ms. Ferrell-Benavides stated that things like this could lead them back to where they started from. She further stated as everyone knows when she took this job the City had a \$70 million deficit, and there won't be money to pay for this. She stated she understood the true-up process that has its advantages and disadvantages, when you have a member who is in a condition like them, they could very well come back and say they can't borrow it and they don't have it. She stated if she knew along the way she had to increase her amount, then she could start to plan for it. She further stated we just need to figure out a way so that if we have to redo how we do this, then we need to do that. She stated that Petersburg today could be any of us tomorrow in the same condition, and all of a sudden, we have the same situation where we're not able to pay.

Mr. Lyons stated he appreciated the work SCWWA had done working with them, as this number was initially over \$600,000. He stated what they are trying to articulate communication to the City Council with approval for the City Manager to explain not only this, but what we are trying to do to minimize this moving forward, however recognizing what was just said with all of the rain that we have gotten again in the recent months, and what this could potentially look like moving forward. He further stated he thinks going back to additional notification along the way that you've talked about doing would be critical for them moving forward. He stated he appreciated everything that has been done.

Dr. Casey stated he didn't know the history of what makes this a true-up exercise were in good faith we kind of guess, and that's the rates we pay, but our underlying consumption of what we are charging our residents is off of a different scale of consumption water or sewer. He stated it seems that water is a one-hundred percent consumption base. He further stated that for us to have a budget at risk because we are trying to guess what is happening, but ignore what is actually being consumed. He stated he realizes there is an I&I issue that might also be arising, because in the Status Report it states we have a 23 MGD plant and we have 30 MGD coming through it when it rains. He further stated if it rains a lot, at what point in time do we have to figure out are we really a 30 MGD plant. He stated it seems it's gone above our capacities far too often than what he's seen at some of their own operated facilities. He stated it's a two-part exercise, and he doesn't know what the standards are as we all have I&I but, he's making up a number of four percent of it, then rates of consumption are higher to cover for something you can't charge for. Dr. Wichser stated generally wastewater plants are designed for peak flow of 2.5 over the design flow and this plant is designed at 23 MGD. He further stated this was a wet weather impact, and the reason your collection system is tight, is your collection system is more recently constructed. He stated some communities have older collection systems and when it rains, they might also have combined systems that occur and that's most likely occurring here. Dr. Casey stated any of the systems that are older and have higher inflows by default they probably do have a higher rate structure to accommodate what is otherwise being calculated whether it's their own system or a shared system.

Mr. Ashcraft stated he thinks it's important that people understand why this happened, so they can take the message back to whomever. He asked if the true-up last year was anything like this, and Mr. Gordon stated it was a refund last year,

mainly due to a lot of leachate and miscellaneous revenue. Dr. Wichser stated at SCWWA we don't control the member collection systems, but what we have been told and understand, is that your consulting engineers are working with you on your collection system, and have recently discovered a major wet weather inflow into your collection system and you are addressing that. Mr. Lyons stated they are addressing that, and staff is doing some other things to cap that. He further stated that is one of the challenges of retreated water and staff is on top of that, but part of the challenge they have is some point in time based on the memo he has been working with Staff on today, and he thinks it's in good shape, would be to articulate on behalf of the Manager to the Council that as it looks like we are headed to some degree of financial stability under this leadership, that ultimately they have to come back and say not only are we talking about \$520,000 here, but before we screw up the numbers in terms of working with you, the calibration and everything if the numbers were in the \$600,000. He stated this leads people to this difficult conversation every time you bring up this sewer/water/wastewater issue, where did it go and it becomes a huge difficult debate, he thinks for the City Manager. Dr. Wichser stated we have had conversations with the City of Petersburg involving a payback plan that could be accepted by this Board. He further stated we had talked about this inhouse and we are flexible, however, we do know that it has to be paid back by June 30, 2019, which would be seven months. Ms. Ferrell-Benavides stated that seven months keeps them from having a cash flow issue. Dr. Casey asked if she would be okay with getting a good update of what we are going through right now, so you won't hit the same \$500,000 mark next year, it may only be \$100,000 because you were able to smooth that out through that as well. Mr. Lyons stated part of that is the work that Staff is doing along with the Consultant, as well as tracking those numbers as best as you can without your audit numbers. He further stated that helps them at least know what they are dealing with, and also helps with the educational piece for him to the City Manager to be able to articulate to the Council members and others what they are seeing, and hope the numbers are significantly less than this

Dr. Wichser asked if a quarterly update would help. Mr. Gordon stated he tries to true-up the flow numbers every quarter. Mr. Ashcraft asked if flow numbers were included in every meeting package and Mr. Gordon answered flow numbers are not included. Mr. Ashcraft asked if it could be included. Dr. Wichser stated if there is a problem, we call the members and meet with them to discuss what we found and try to remedy the situation. Mr. Lyons stated if there is any kind of outline, whether it's a monthly basis or quarterly basis, not only hit just the Public Works Director, hit the City Manager and hit himself. Dr. Casey stated Petersburg is being punished by the volume of rain water coming through the system. He further stated he isn't a plant operator, but when the waters are coming through at 30 MGD, and we're only designed to treat 25 MGD, is it really that added cost that day. He asked are you hiring more people during heavy rains, are you using more chemicals, or is it some of their discharge to you, which you're getting charged by the gallon for, is really not being minded after as much as those dry days. He stated you're paying a surcharge just for having the water go right to the river. Ms. Ferrell-Benavides stated that they acknowledge that most of what they are sending are excess costs is rainwater or water used to fight fires.

Dr. Wichser stated we needed Board approval on the seven month payment plan for the City of Petersburg. Mr. Gordon stated we could provide Petersburg with a flow update as long as we are getting it from everyone.

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

RESOLVED, that the Board approves to accept the true-up and Petersburg's payback in seven months by June 30, 2019:

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

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

Mr. Gordon reported on the Ongoing Projects/Operations/Financials.

5. Approval of Solids Building Concept Evaluation/Basis of Design Development

Dr. Wichser reported on the Solids Building Concept Evaluation/Basis of Design Development. He stated that both of our Trust Engineers, WW Associates and Hazen & Sawyer, have moved forward with us in discussions on development of a proposed Solids Building Concept Evaluation and Basis of Design. He further stated the reason we are moving forward is because in March of 2011 a study was done on the Solids Building, which is where biosolids are processed, dewatered and then on to land application. The study stated in 2011 that the solid handling equipment was already at or near the end of its useful life. He further stated the existing solid processing equipment was installed in 1995, and in talking with the Manager of Operations, he convinced us that it's reached the end of its useful life. He stated that this study will develop the basis for design, conduct a cost benefit analysis, evaluate the thickening and dewatering process, evaluate centrifuge technologies that would be placed in the Solids Building and the existing equipment would go through a condition assessment. He further stated this particular project would have been started in 2010, had the funds been available. He stated what we are asking the Board to approve today is allowing our two Trust Engineers to move ahead with a \$95,000 study, which will be funded by the leachate revenue. He stated that this is something that is a benefit for SCWWA. He stated if this project moves forward, it would most likely be in construction in 2021-2022. He further stated it's the next project this plant needs to address before we go to nutrient removal technology, which we expect to hit in 2023. Mr. Wilson asked for a ball park figure on this project and Dr. Wichser replied approximately \$6,000,000. Dr. Casey asked if

there was a current budget that has been allocated for it, and Dr. Wichser replied this study would be funded from leachate revenue. He stated we have looked long term over the next few years, and we feel that we probably can pay cash through our capital reserve and landfill leachate revenue coming in. He further stated we estimated we would have \$7,000,000 by 2022. Mr. Wilson asked if we invested that money, and Mr. Gordon stated we were doing that but any interest on that money was refunded quarterly to everybody.

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

RESOLVED, that the Board approves moving forward with the Trust Engineer's Solids Building Concept and Basis of Design evaluation to enable the SCWWA to prepare for a scheduled Solids Building equipment replacement capital project beginning in 2020. Staff is requesting approval to use \$95,000 from excess landfill leachate revenue to complete this technical evaluation by the SCWWA Trust Engineers:

For: 5 Against: 0 Abstain: 0

6. Election of Authority Officers

Officer terms expire at the end of year of even numbered years. Elections were held and the results are as below.

The following officers were elected for 2019 starting January 1, 2019 for a term of two years:

Dr. Casey nominated Doug Smith as Chairman of SCWWA's Board of Directors, which was seconded by Mr. Wilson.

Doug Smith was elected Chairman of SCWWA's Board of Directors on a motion made by Dr. Casey and seconded by Mr. Wilson:

For: 5 Against: 0 Abstain: 0

Mr. Wilson nominated Aretha Ferrell-Benavides for Vice-Chairman of SCWWA's Board of Directors, which was seconded by Mr. Smith.

Aretha Ferrell-Benavides was elected Vice-Chairman of SCWWA's Board of Directors on a motion made by Mr. Wilson and seconded by Mr. Smith:

For: 5 Against: 0 Abstain: 0

Mr. Wilson nominated George Hayes for Secretary/Treasurer of SCWWA's Board of Directors, which was seconded by Dr. Casey.

George Hayes was elected Secretary/Treasurer of SCWWA's Board of Directors on a motion made by Mr. Wilson and seconded by Dr. Casey:

For: 5 Against: 0 Abstain: 0

7. Items from Counsel

There were no Items from Counsel.

8. Closed Session

There was no Closed Session.

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

Mr. Smith stated to Mr. Ashcraft that we were thankful for his service to the Board.

Dr. Casey stated just some future update embedded in the footnotes to the Audit Report under Nutrient Credits "Board has elected to defer nutrient reduction upgrade project at this time". He further stated it defers to an action six years ago. He thinks if it's something we speak to in our Audit Report and we want to say "at this time" that we revisit the topic. He stated look at that paragraph and he thinks at some point in the future at a SCWWA meeting we should go through and understand what that paragraph means or doesn't mean. He thinks it should be in current tense for the June 2019 audit.

Mr. Ashcraft thanked Staff, Counsel and everyone that shared in this experience with him as Chairman of SCWWA Board of Directors.

10. Adjourn

Upon a motion made by Ms. Ferrell-Benavides and seconded by Mr. Wilson the meeting was adjourned at 4:42 p.m.

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

- **Work Plan Summary/Update: January 1, 2019 to June 30, 2019**

Following is the SCWWA Work Plan Summary/Update for January 1, 2019 to June 30, 2019



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

South Central Wastewater Authority

Executive Level Strategic Work Plan Summary/Update

January 1, 2019 to June 30, 2019

Purpose: Provide the South Central Wastewater Authority with a plan to ensure 100% total compliance with the Virginia Pollution Discharge Elimination System Permit discharge limitations

This information is provided at the request of the Board and is intended to highlight key/critical activities that are planned and expected to be accomplished during the next six months. We realize that unplanned circumstances could occur that impact the Authority's financial capability to complete the tasks and projects, and are totally out of the control of Authority management. Projects are dependent on funding, engineering consultants and contractors.

Overarching Goal: The Authority will continue to meet permit discharge limits by operating and maintaining the wastewater plant system in an efficient and economical manner, consistent with good business, engineering and operating practices.

- The Authority's goal is to meet or exceed the requirements of the Virginia Pollution Discharge Elimination System Permit discharge limitations.

Strategic Framework

Vision

To serve our Members and be a recognized leader by providing exceptional wastewater services.

Values

The Authority is committed to the following values:

- Integrity
- Teamwork
- Respect
- Quality

Mission

Our team of professional and experienced employees serve our Members and the community by providing high quality wastewater treatment in a financially and sustainable manner.

Interactions with the Board/Members/Member Staff:

- Increase efforts to facilitate policy development;
- Continue to meet the diverse needs of Authority members;
- Continue to improve long-term planning strategies;
- Expand and explore opportunities to enable the Board to reach consensus more frequently on policy issues;
- Aggressively develop and present viable alternatives and/or solutions to the Authority members;
- Provide for advance discussions/notifications to members and their staff on items that significantly impact the future of the Authority;
- Keep open dialog with members on relevant and various issues.

Construction Projects:

1. January 2019-May 31, 2019: Continue construction phase on new warehouse with office.
Update: This project is under active construction. Construction is scheduled to be completed by May 30, 2019.
2. January 1, 2019-Phase 2 Upgrade Project: Clarifier No. 1 grout base replacement:
Update: This project was awarded to Anderson Construction as part of the above Scum & Grit project. This project is projected to be closed in March 2019.

Preparation for New Capital Upgrade Project

Capital Project: Solids Building Capital Upgrade Concept Evaluation & Basis of Design Study:

Working with outside engineering experts, develop a technical review and upgrade plan for the Biosolids dewatering facility to support the biosolids dewatering activity over the next 20 years.

This in-depth engineering evaluation was approved by the Board of Directors in November 2018 and is expected to be completed by May 2019.

Administration:

Continue with opportunities that provide ancillary income from landfill leachate.

Update: This issue is continuously reviewed as opportunities arise.

1. January 2019-May 2019: Develop, present, defend and issue a public notice on the proposed 2019/20 Operations & Maintenance Budget including Capital Projects proposed. Member utility Directors were presented with the proposed FY 2019/20 budget on November 16, 2018: ***Budget Process Underway***

Facility Instrumentation/SCADA Upgrades: Develop SCADA/Network Master Plan

The purpose of this task order is to review the system infrastructure, document and define a vision for forth coming years. The SCADA Master Plan is to formulate an Authority wide long-term SCADA strategy to reduce operating costs by implementing technologies that will streamline maintenance and operational activities.

Once the plan is developed, the purpose of the plan would be to provide the Authority a roadmap to implement technology improvements/upgrades in a systematic manner. **UPDATE: Kickoff and following meetings are ongoing with integration specialists to develop the long term plan.**

Facility Process Chemicals: December 2018/January 2019 –Bid and issue new 12 month chemical contracts upon receiving lowest outside bids.

On-Going Department Goals

Administration/Human Resources

- Ensure compliance with all Federal/State/Local Income Tax Laws
- Ensure that accounting and inventory systems are kept up to date
- Work with managers/supervisors to monitor expenses and control costs
- Work with inventory clerks to improve cycle counting processing and inventory ordering

Maintenance Department:

- Complete mechanical/electrical training for employees as needed
- Maintain schedule of preventive maintenance activities
- Seek effective and rapid response on corrective actions towards equipment failures
- Maintain parts and equipment inventory in a cost effective manner; Inventory control has been reviewed and warehouse control efforts are underway.

Laboratory Department:

- Maintain Discharge Permit analytical testing requirements
- Maintain effective Pre-Treatment Program which includes supporting SCWWA Member needs related to DEQ's Pre-Treatment regulatory requirements

Operations Department:

- Maintain wastewater plant effluent quality at all times to meet federal/state discharge permit limits
- Ensure all Operators maintain DPOR required annual training requirements
- Ensure all Operators continue to strive for Class 1 Wastewater Operator license
- Maintain Wastewater Facility in a clean and orderly manner

IT/Instrumentation Office:

- Ensure all process instrumentation is functional and accurate
- Ensure the Supervisory Control and Data Acquisition System is functioning to enable Operations Department to operate the process control equipment
- Ensure SCWWA computer functions are protected from outside interference

- **Presentation of Proposed FY 2019/20 Operating Budget**

Following is a memo and presentation of the Proposed FY2019/20 Operating Budget



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MEMORANDUM

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

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

SUBJECT: FISCAL YEAR 2019-2020 PROPOSED BUDGET

DATE: JANUARY 16, 2019

We are pleased to present to you the South Central Wastewater Authority proposed 2019-2020 budget for your review and consideration. The Board is not requested to approve at today's meeting the proposed budget; however, we request that you review and advise staff to ready the proposed budget to advertise for a public hearing at the March 21, 2019 Board Meeting by the required 14-day period in advance of the scheduled public hearing. Any Board requested changes to the proposed budget can be made on or before the May 16, 2019 Board Meeting where you will approve the budget.

A review of the proposed budget changes follows and shows annual expenses for FY 2019/20 are increasing by \$260,600 (3.18%) from the current fiscal year budget due to the continuation of funding the Rate Stabilization Fund (\$260,000) to offset future capital expenditures.

Cost item increase:

- Hospitalization Insurance: \$130,000 (The 2018-19 Health Insurance was higher than budgeted; the 2019/20 proposed budget adjusts for this deficit plus an additional ten percent due to expected health insurance premium increases.)

Cost items reductions:

- Equipment Replacement: (\$43,000)
- Nutrient Credit Purchases: (\$92,000)

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

Debt Service:

Debt service for FY 2019/20 is zero.

Rate Stabilization Fund:

The Rate Stabilization Fund (used to offset future capital project rate impacts) *has been reallocated from member participation based on flow to member participation based on plant allocation*. The present Service Agreement does not address a Rate Stabilization Fund, since this fund was developed with the FY 2017/2018 budget (In the 2017/2018 Budget all Rate Stabilization Funds were allocated to O&M reserves). We base this adjustment on the fact that the existing Service Agreement in Section 11-Capital Charges mentions that debt service shall be allocated among the incorporating subdivisions based on the initial capacity plant allocations. We do not recommend any look-back adjustment on this item related to the FY 2017/18 and existing budget.

Salaries & Wages:

It is important to understand the maintenance and operations of our wastewater infrastructure, not only by implementing the latest technologies, but also by continuing to invest in a skilled workforce. Thus we are requesting a performance based salary increase up to four percent (4%). As you are aware, a significant portion of the Authority's workforce will exit the field in the next three to five years (Hazen and Sawyer Merger Analysis), depleting the pool of experienced certified and licensed professionals. The job sector in the wastewater field is necessitating a more skilled workforce. The upcoming retirement of experienced Operators and Maintenance staff who can train new personnel further exacerbates the problem.

Competition will continue for certified and licensed employees between other local utilities and will force the Authority to make cost related decisions to attract and retain new employees. We must continue to invest in our skilled employees and maintain market competitive salaries.

As part of staff's annual performance evaluation, each employee will be reviewed and rated in May 2019 on the following elements:

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

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

Replacement Fund:

The Replacement Fund at \$593,000 has been decreased \$43,000 and does not contain any major projects, yet it does still include a number of smaller activities (PLC replacement, 1-ton dump-bed truck, concrete repairs, air

compressors, security perimeter fencing, generator relays), along with SCADA/communication equipment and treatment process instrumentation replacement.

REVENUE:

	PRESENT FY2018/19 Costs	PROPOSED FY2019/20 Costs	ANNUAL Cash Diff.	% Difference
City of Petersburg	\$4,576,617	\$4,771,204	\$194,587	4.25
City of Colonial Heights	\$1,659,788	\$1,622,291	(\$37,497)	-2.26
Chesterfield County	\$ 699,349	\$ 729,702	\$30,353	4.34
Prince George County	\$ 570,021	\$ 589,419	\$19,399	3.40
Dinwiddie County	\$ 693,327	\$ 747,084	\$53,758	7.75
Total	\$8,199,100	\$ 8,459,700	\$260,600	

BOARD ACTION REQUESTED:

No budget approval action is required by the Board at this time. Board approval to advertise the FY2019-2020 proposed budget is requested. The public hearing on the proposed budget will be at the March 21, 2019 BOD meeting (to be held at SCWWA). Final Board action on budget approval is scheduled to be taken at the May 16, 2019 ARWA Board of Directors meeting (to be held at ARWA). Any budget changes or edits required or requested by the Board can be taken before or during the May Board of Directors meeting.

SOUTH CENTRAL WASTEWATER AUTHORITY

PROPOSED: January 16, 2019

APPROVED:

				Change	
		Fiscal Year 2018/2019	Fiscal Year 2019/2020	Increase/ (Decrease)	
Acct #	ITEM	Budget	Budget	FY18/19 to FY19/20	Reason for changes
51000	SALARY	\$ 1,900,000	\$ 1,900,000	\$ -	Includes 4% Performance Based merit increase
52000	EMPLOYEE BENEFITS	\$ 800,000	\$ 892,000	\$ 92,000	Primarily the increase is due to Anthem Blue Cross Blue Shield Health Insurance Increase. The Health Insurance for FY18-19 was higher than budgeted so the FY19-20 budget factors that increase plus an additional 10%.
52100	Employer FICA	\$ 145,000	\$ 145,000		
52200	Virginia Retirement System	\$ 150,000	\$ 125,000		
52300	Hospitalization Insurance	\$ 460,000	\$ 590,000		
52400	Group Life	\$ 25,000	\$ 27,000		
52450	Supplemental Group Life	\$ 1,500	\$ 1,500		
52500	Health Insurance Credit	\$ -	\$ -		
52700	Employee Promotions	\$ 3,500	\$ 3,500		
52900	OPEB Health Insuranc ARC Adj	\$ 15,000	\$ -		
52952	Net Pension Adjustment				
53000	Contractual Services	\$ 339,000	\$ 369,600	\$ 30,600	
53121	Auditing Services	\$ 12,500	\$ 12,500		
53122	Accounting Services	\$ 7,000	\$ 7,000		
53123	Administrative Service	\$ (5,000)	\$ 37,000		
53140	Consults - Engineering	\$ 50,000	\$ 50,000		
53145	Consults - General	\$ 50,000	\$ 25,000		
53150	Legal Services	\$ 50,000	\$ 50,000		
53152	Software Support	\$ 40,000	\$ 45,000		
53160	Medical	\$ 5,000	\$ 8,600		
53162	Bank Service Charges	\$ 1,000	\$ 1,000		
53170	Payment in Lieu of Taxes (City of Petersburg)	\$ 33,500	\$ 33,500		
53190	Samples and Testing	\$ 44,500	\$ 44,500		
53220	VPDES Permit Fee	\$ 10,500	\$ 10,500		
53320	Maintenance Service Contracts	\$ 15,000	\$ 20,000		
53600	Grounds Maintenance	\$ 25,000	\$ 25,000		
55000	Other Charges	\$ 972,400	\$ 974,400	\$ 2,000	
55050	Advertising	\$ 6,000	\$ 6,000		
55110	Electricity	\$ 425,000	\$ 425,000		
55120	Natural Gas	\$ 20,000	\$ 20,000		
55130	Solid Waste	\$ 3,500	\$ 3,500		
55140	Water	\$ 8,000	\$ 8,000		

55150	Storm Water (City of Petersburg)	\$ 6,000	\$ 6,000		
55160	Biosolids Disposal	\$ 350,000	\$ 350,000		
55210	Postage and Freight	\$ 15,000	\$ 15,000		
55230	Telecommunications	\$ 16,500	\$ 16,500		
55308	General Liability Insurance	\$ 65,000	\$ 67,000		
55410	Lease/Rent of Equipment	\$ 11,000	\$ 11,000		
55530	Meals and Lodging	\$ 5,000	\$ 5,000		
55540	Education and Training	\$ 19,400	\$ 19,400		
55550	Safety Supplies	\$ 22,000	\$ 22,000		
56000	Materials and Supplies	\$ 1,194,700	\$ 1,205,700	\$ 11,000	
56001	Office Supplies	\$ 15,000	\$ 15,000		
56004	Laboratory Supplies	\$ 51,000	\$ 52,000		
56005	Process Chemicals	\$ 560,000	\$ 560,000		
56006	Repair and Maintenance Supplies - IT	\$ 53,000	\$ 60,000		
56007	Repair and Maintenance Supplies - Shop	\$ 415,000	\$ 408,000		
56008	Vehicle and Equipment Fuels	\$ 25,000	\$ 25,000		
56010	Janitorial Supplies	\$ 8,000	\$ 8,000		
56011	Uniforms	\$ 22,500	\$ 22,500		
56012	Dues and Subscriptions	\$ 36,700	\$ 36,700		
56015	Small Equipment Purchases	\$ 8,500	\$ 8,500		
56016	Operation - Supplies - Maintenance		\$ 10,000		
57000	Equipment Replacement	\$ 636,000	\$ 593,000	\$ (43,000)	
58000	Nutrient Credit Purchases	\$ 617,000	\$ 525,000	\$ (92,000)	
59000	Rate Stabilization Funds	\$ 1,740,000	\$ -	\$ (1,740,000)	
	Total(Operations & Maintenance)	\$ 8,199,100	\$ 6,459,700	\$ (1,739,400)	
	Reserve policy (50% O&M)	0	\$ -	\$ -	50% reserves achieved 2 years early
	ERRF (5% of Operations & Maintenance)	\$ -	\$ -	\$ -	Account has achieve the max of \$2.5 m
	Rate Stabilization Funds to be deposited to Capital Reserve Fund	\$ -	\$ 2,000,000	\$ 2,000,000	Used to offset future capital expenditures
	Debt Service	\$ -	\$ -	\$0	
	Total	\$ 8,199,100	\$ 8,459,700	\$ 260,600	

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

Acct#	Proposed FY ITEM	Budget 18/19	FY19/20 Proposed Budget 19/20	INFORMATIONAL & PLANNING				Beyond	
				20/21	21/22	22/23	23/24	FY	Estimate
57010 - Machinery & Equipment	Emergency / Miscellaneous Repairs	\$ 60,000	\$ 95,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000		
	Major Component Replament Parts	\$ 150,000							
	Replace Pump Bldg 3 MCC		\$ 20,000						
	Electric Actuators at Grit Tank		\$ 8,000						
57020 - Instrumentation	Misc. Instrumentation Equipment/Supplies	\$ 75,000							
	Replace PLC3 (23 years old)		\$ 90,000						
	Replace PLC2 (24 years old)			\$ 80,000					
	Replace PLC 4 (25 years old)				\$ 80,000				
	New Phosphate Analyzer		\$ 20,000						
	Field Sampler	\$ 5,000							
57030 - SCADA	Misc. SCADA/Communication Equipment	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000		
	SCADA/Network Master Plan Development	\$ 15,000							
57040 - Computer Hardware & Software	Replacement Computers/Servers	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000		
	License renewal and software	\$ 5,000							
57050 - Motor Vehicles	2000 1 ton Dump Bed Truck (salt spreader and plow)		\$ 40,000						
	Operations 2001 Dodge Pickup		\$ 35,000						
	2007 Operations Colorado			\$ 35,000					
	2008 Trailblazer (Fleet)			\$ 40,000					
	Case Loader (Big Loader)				\$ 160,000				
	4x4 Pickup - Replacement				\$ 40,000	\$ 40,000	\$ 40,000		
	2000 GMC Dump Truck				\$ 75,000				
	1982 Crane Truck					\$ 100,000			
	2001 GMC Dump Truck					\$ 75,000			
	Golf carts	\$ 6,000							
	General Concrete Repair	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000		
	Replace administration building flooring	\$ 20,000							
	Roof Inspection/Repairs		\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000		
	Roof Replacement - PB 5, Sodium Bi, Blower, Vehicle Storage, and Sodium Hypo				\$ 250,000				

57060 - Construction	Upgrade Headworks Drain PS		\$ 250,000	
	New Headworks Air Compressors	\$ 60,000		
	Rehab Admin work areas	\$ 10,000		
	Security Perimeter Fence	\$ 100,000		
	Elec. Actuators	\$ 50,000		
	Generator and Utility Protective Relays Upgrade	\$ 30,000		
	Asphalt overlay from gate to Septage	\$ 175,000		
	RAS Pumps		\$ 1,000,000	
57080 - Fixtures and Funiture	Lab Cabinets and Countertop		\$ 35,000	
TOTALS:		\$ 636,000	\$ 593,000	\$ 615,000 \$ 815,000 \$ 1,460,000 \$ 250,000

NOTE: FY 19/20 TO BE APPROVED WITH BUDGET

**South Central Wastewater Authority
Nutrient Credit Purchase - Acct # 58100
FY19/20**

Acct# 58100	ITEM	Budget 18/19	Proposed Budget 19/20	INFORMATIONAL & PLANNING					
				20/21	21/22	22/23	23/24	24/25	25/26
	Private Purchase - Henrico County								
	Private Purchase - Chesterfield County	\$ 467,000	\$ 472,000	\$ 500,000					
	Contengency - Exchange Purchase if needed	\$ 150,000	\$ 53,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
	Private or Exchange			\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
	Totals	\$ 617,000	\$ 525,000	\$ 550,000	\$ 550,000	\$ 550,000	\$ 550,000	\$ 550,000	\$ 550,000

NOTE: FY 19/20 TO BE APPROVED WITH BUDGET

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

ITEM	Budget 18/19	Proposed Budget 19/20	INFORMATIONAL & PLANNING					
			20/21	21/22	22/23	23/24	24/25	25/26
Solids Building Upgrade (4)	\$ 500,000	\$ 3,500,000	\$ 3,500,000					
Nutrient Upgrade (3)					\$ 1,500,000	\$ 15,000,000	\$ 15,000,000	
Totals	\$ 500,000	\$ 3,500,000	\$ 3,500,000	\$ -	\$ 1,500,000	\$ 15,000,000	\$ 15,000,000	\$ -

NOTE:

- 1) The above items for information only. Approval required from Board of Directors at time of project award.
- 2) Bond Funding will be required for these Proposed Capital Project.
- 3) Project cost defined by regulator requirements. Assumes \$20,000,000 in WQIF Funding.
- 4) Funded with capital reserve fund/miscellaneous revenue fund. Project can be funded with cash reserves and debt.

SOUTH CENTRAL WASTEWATER AUTHORITY

FY 2019/2020 Budget

Proposed: January 16, 2019

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: **\$6,459,700.00**

Community	Petersburg	Colonial Heights	Chesterfield	Prince George	Dinwiddie
% O&M (1)	57.606%	18.922%	8.200%	6.802%	8.469%
O&M	\$ 3,721,203.82	\$ 1,222,290.76	\$ 529,701.60	\$ 439,419.48	\$ 547,084.34

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	\$ -	\$ -	\$ -	\$ -	\$ -

Rate Stabilization Fund (to offset future Capital Expenditures)

Budget: **\$ 2,000,000.00**

% Participation	52.5%	20.0%	10.0%	7.5%	10.0%
Reserve Policy	\$ 1,050,000.00	\$ 400,000.00	\$ 200,000.00	\$ 150,000.00	\$ 200,000.00

Annual Total	\$ 4,771,203.82	\$ 1,622,290.76	\$ 729,701.60	\$ 589,419.48	\$ 747,084.34
O&M Due Monthly	\$ 310,100.32	\$ 101,857.56	\$ 44,141.80	\$ 36,618.29	\$ 45,590.36
ERRF Due Monthly	\$ -	\$ -	\$ -	\$ -	\$ -
Reserve policy Due Monthly	\$ -	\$ -	\$ -	\$ -	\$ -
Rate Stabilization Fund	\$ 87,500.00	\$ 33,333.33	\$ 16,666.67	\$ 12,500.00	\$ 16,666.67
P&I Due Monthly	\$ -	\$ -	\$ -	\$ -	\$ -
Total Due Monthly	\$ 397,600.32	\$ 135,190.90	\$ 60,808.47	\$ 49,118.29	\$ 62,257.03

Notes:

(1) Participation percentage based on flow data for period from FY14 to FY18

(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 2019/2020 Budget

Proposed: January 16, 2019

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	57.606%	18.922%	8.200%	6.802%	8.469%	100.000%
Estimated Share of Operations & Maintenance	\$ 3,721,203.82	\$ 1,222,290.76	\$ 529,701.60	\$ 439,419.48	\$ 547,084.34	\$ 6,459,700.00
Share of Plant Capacity (%)	52.50%	20.00%	10.00%	7.50%	10.00%	100.00%
Share of Equipment Replacement Reserve Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserve Policy - Reserve Fund (50% O&M)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rate Stabilization Fund	\$ 1,050,000.00	\$ 400,000.00	\$ 200,000.00	\$ 150,000.00	\$ 200,000.00	\$ 2,000,000.00
Share of Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Monthly Amount	\$ 397,600.32	\$ 135,190.90	\$ 60,808.47	\$ 49,118.29	\$ 62,257.03	\$ 704,975.00
Annual Total	\$ 4,771,203.82	\$ 1,622,290.76	\$ 729,701.60	\$ 589,419.48	\$ 747,084.34	\$ 8,459,700.00
Electrical Credit						\$ -
Funds Carried over from Previous FY						\$ -
Miscellaneous Revenue - PROPOSE THIS REVENUE IS DEPOSITED TO A CAPITAL RESERVE FUND						\$ -
Total Budget						\$ 8,459,700.00

Budget Comparison

	FY19/20 Proposed Budget	FY18/19 Budget	FY19/20 - FY18/19	
Locality	Revenue	Revenue	Difference	
City of Petersburg	\$ 4,771,204	\$ 4,576,617	\$ 194,587	4.25%
City of Colonial Heights	\$ 1,622,291	\$ 1,659,788	\$ (37,497)	-2.26%
Chesterfield County	\$ 729,702	\$ 699,349	\$ 30,353	4.34%
Prince George County	\$ 589,419	\$ 570,021	\$ 19,399	3.40%
Dinwiddie County	\$ 747,084	\$ 693,327	\$ 53,758	7.75%
Sub-totals	\$ 8,459,700	\$ 8,199,100	\$ 260,600	
Deferred Debt (Petersburg)	\$ -	\$ -	\$ -	
Deferred Debt (Colonial Heights)	\$ -	\$ -	\$ -	
Deferred Debt (Prince George)			\$ -	
Electrical Credit	\$ -	\$ -	\$ -	
Funds Carried over From Previous FY	\$ -	\$ -	\$ -	
Miscellaneous Revenue	\$ -	\$ -	\$ -	
Total Budget	\$ 8,459,700.00	\$ 8,199,100.00	\$ 260,600.00	

50% Reserve Policy:
Reserve Fund Calculation

SCWWA O&M Budget	Total expected reserves on June 30, 2019	Recommended 50% O&M Reserves	Charges required to achieve 50% reserves	Annual Charge
\$6,459,700	\$4,392,714.58	\$3,229,850.00	-\$1,162,864.58	0

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

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



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

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: JANUARY 16, 2019

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

Wastewater Treatment Plant Improvements, Phase 2

- Two groundwater dewatering wells have been installed and are operating. These wells have not succeeded in lowering the water table.
- Wet weather is hindering this operation. We are now investigating the uplift potential of the groundwater table to determine whether the pressure relief valves can be temporarily plugged.
- Consideration is also being given to pouring the grout in sections to complete the project.

Warehouse Project

- The concrete slab was poured in December, 2018.
- Sitework including stormwater piping and electrical conduit have been installed.
- The delivery of the building is on the critical path. The building manufacturer fabrication may delay this project.
- Project completion date is May 26, 2019.



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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: JANUARY 16, 2019

Operating Status Report:

General:

- The next scheduled Board of Directors meeting is March 21, 2019 at the South Central Wastewater Authority at 2:00 pm.
- The Authority Trust Engineer has completed the Annual Inspection for the SCWWA and the report has been reviewed with staff.
- Staff met with our Trust Engineers (WW Associates and Hazen) regarding the evaluation of the solids building. Requested information pertaining to our solids handling has been provided.
- 2018 W-2s prepared and distributed.

Status of Nutrient Waste-load

- Total Phosphorus (TP)
 - Waste-load allocation Total Phosphorus: 28,404 lbs. on a calendar basis.
 - Total actual waste-load for 2018 was 22,150 lbs. (The SCWWA was 6,254 lbs. of TP under our waste-load allocation for the year)
- Total Nitrogen (TN)
 - Waste-load allocation Total Nitrogen: 350,239 lbs. on a calendar basis
 - Total actual waste-load for 2018 was 444,527 lbs. (The SCWWA was 94,288 lbs. of TN over our waste-load allocation for the year.)
 - Note: The SCWWA is locked-in to purchasing 167,685 credits for 2018.

Operations:

- Plant effluent met all discharge permit requirements for 2018. Copies of the discharge monitoring reports (DMR's) for the VPDES permit and the general permit are available.
- Staff has been in communication with NutriBlend to remove biosolids. Wet weather has complicated land application of biosolids.
- Staff has been in contact with Petersburg Utilities to coordinate a sewer line repair on the island.

Maintenance:

- Work to repair the chain and flights in Primary Clarifier #3 has been ongoing.
- Staff has replaced a mixing pump in aeration basin 3.

- Planning continues for replacement of the remaining diffusers in the aeration basin C cells.

Instrumentation

- Replacement alternatives for one of our failed blower monitors/safety interlocks has been investigated and suitable replacement has been located
- PLC construction and installation for Pump Buildings 1-3 continues. This is being handle in house.

Laboratory

- Pre-treatment inspections for 2018 were completed.
- The Annual Internal Audit of the laboratory was completed.
- Development of the Annual Pretreatment Report is ongoing.

Financial Status Report:

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

South Central Wastewater Authority
For Month Ending December 31, 2018

Assets

Current Assets

Petty Cash	\$ 250
Wells Fargo Operating Account	\$ 2,722,841
Total Unrestricted Cash	\$ 2,723,091

Wells Fargo Reserve	\$ 3,916,414
Wells Fargo Capital Improvement Reserve	\$ 2,464,149
ERRF	\$ 2,905,841
Total Restricted Cash	\$ 9,286,405

Total Checking/Savings **\$ 12,009,496**

Accounts Receivable	\$ 663,205
Long Term Receivable (Petgs/Legal)	\$ -

Total Current Assets **\$ 12,672,701**

Fixed Assets

Sewer System Plant	\$ 33,609,033
Equipment & Vehicles	\$ 3,037,357
Plant Machinery	\$ 7,920,877
Construction in Progress	\$ 2,512,232
Land	\$ 92,968
Accumulated Depreciation	\$ (28,490,891)
Total Fixed Assets	\$ 18,681,576

Other Assets

Inventory	\$ 664,334
Def Out Res-Post ER Pension Con	\$ 119,474
Deferred Outflows-GLI OPEB	\$ 9,059
Total Other Assets	\$ 792,867

Total Assets **\$ 32,147,144**

Liabilities & Equity

Current Liabilities

Accounts Payable	\$ 116,894
Total Current Liabilities	\$ 116,894

Other Current Liabilities

Payroll Accruals	\$ 223,256
Retainage Payable	\$ -
Suspense-Clearing Account	\$ 308,500
Refunds Due Member Localities	\$ -
Total Other Current Liabilities	\$ 531,756

Long Term Liabilities

Net OPEB Obligation	\$ 134,609
Net OPEB Liability-GLI	\$ 132,000
Def Infl-OPEB-Chg of Assumption	\$ 5,512
Deferred Inflows-GLI OPEB	\$ 15,000
Def Inf Res-Net Dif Pension Inv	\$ 166,457
Def Inf Res-Pens Chg Assumption	\$ 76,200
Def Inf Res-Pens Dif Proj/Act E	\$ 61,277
Net Pension Liability	\$ 105,031
Total Long-Term Liabilities	\$ 696,086

Total Liabilities **\$ 1,344,736**

Equity

Retained Earnings	\$ 15,442,788
Initial Locality Contribution Cap.	\$ 14,166,822

Net Income	\$ 1,192,798
Total Equity	\$ 30,802,408

Total Liabilities & Equity **\$ 32,147,144**

South Central Wastewater Authority
YTD Income Statement for the period ending December 31, 2018

Wastewater Rate Center

Revenues and Expenses Summary

Operating Budget vs. Actual

Revenues

	<i>Budget</i> <i>FY 18/19</i>	<i>Budget</i> <i>Year-to-Date</i>	<i>Actual</i> <i>Year-to-Date</i>	<i>YTD Budget</i> <i>vs. Actual</i>	<i>Variance</i> <i>Percentage</i>
Septage/Misc Revenue	\$ -	\$ -	\$ 474,533	\$ 474,533	#DIV/0!
O&M Revenue	\$ 8,199,100	\$ 4,099,550	\$ 4,099,550	\$ -	0.00%
Reserve Policy	\$ -	\$ -	\$ -	\$ -	#DIV/0!
ER&RF Revenue	\$ -	\$ -	\$ -	\$ -	#DIV/0!
Total Operating Revenues	\$ 8,199,100	\$ 4,099,550	\$ 4,574,083	\$ 474,533	11.58%

Expenses

Personnel Cost	\$ 2,700,000	\$ 1,351,750	\$ 1,349,233	\$ (2,517)	-0.19%
Contractual/Professional Services	\$ 350,000	\$ 203,500	\$ 148,449	\$ (55,051)	-27.05%
Utilities	\$ 462,500	\$ 231,250	\$ 218,930	\$ (12,321)	-5.33%
Communication/Postage/Freight	\$ 31,500	\$ 15,750	\$ 13,075	\$ (2,675)	-16.98%
Office/Lab/Purification Supplies	\$ 74,000	\$ 37,682	\$ 26,058	\$ (11,625)	-30.85%
Insurance	\$ 65,000	\$ 32,500	\$ 64,055	\$ 31,555	97.09%
Lease/Rental Equipment	\$ 11,000	\$ 5,500	\$ 4,124	\$ (1,376)	-25.03%
Travel/Training/Dues	\$ 61,100	\$ 39,568	\$ 32,862	\$ (6,706)	-16.95%
Safety/Uniforms	\$ 44,500	\$ 22,250	\$ 16,266	\$ (5,984)	-26.89%
Chemicals/Sludge Disposal	\$ 910,000	\$ 455,000	\$ 371,588	\$ (83,412)	-18.33%
Repair/Maintenance Parts & Supplies	\$ 501,500	\$ 253,159	\$ 149,878	\$ (103,281)	-40.80%
Total Operating Expenses	\$ 5,211,100	\$ 2,647,910	\$ 2,394,517	\$ (253,393)	-9.57%
Operating Suplus/(Deficit)	\$ 2,988,000	\$ 1,451,640	\$ 2,179,566	\$ 727,926	50.15%

Replacement Outlay Budget vs. Actual

Machinery & Equipment	\$ 210,000	\$ 105,000	\$ 81,195	\$ (23,805)	-22.67%
Instrumentation	\$ 80,000	\$ 40,000	\$ 8,250	\$ (31,750)	-79.37%
SCADA	\$ 15,000	\$ 7,500	\$ -	\$ (7,500)	-100.00%
Computer Equipment	\$ 15,000	\$ 7,500	\$ -	\$ (7,500)	-100.00%
Motor Vehicles	\$ 6,000	\$ 3,000	\$ 6,326	\$ 3,326	110.87%
Construction	\$ 295,000	\$ 147,500	\$ 583,527	\$ 436,027	295.61%
Special Studies	\$ -	\$ -	\$ -	\$ -	#DIV/0!
Total Replacement Outlay	\$ 621,000	\$ 310,500	\$ 679,298	\$ 368,798	118.78%

Other Income/Expense Budget vs. Actual

Nutrient Credit Purchases (Expense)	\$ 617,000	\$ 308,500	\$ 308,500	\$ (0)	0.00%
Nutrient Reduction	\$ -	\$ -	\$ 1,030	\$ 1,030	#DIV/0!
Interest-Jurisdictions (Income)	\$ -	\$ -	\$ -	\$ -	#DIV/0!



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

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: JANUARY 16, 2019

November and December 2018 continued the trend for a very wet year and in fact 2018 was the second wettest year on record. Flows in November and December were higher than normal due to the wet weather. As shown in the table below, the rainfall numbers for December are not abnormally high but the average flows for SCWWA are higher than prior year most likely a result of ground saturation which is impacting I&I flows within the collection system(s).

Month	Rainfall (inches)	Average Flow (mgd)
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
May 2018	8.46	15.221
June 2018	6.28	14.629
July 2018	9.44	12.785
August 2018	4.53	12.973
September 2018	4.43	11.572
October 2018	6.05	14.568
November 2018	5.7	20.758
December 2018	3.21	18.440

PRIMARY FLOW DATA

December	2018	2017	2016	2015	2014	2013	2012
Minimum (mgd)	13.92	8.186	8.345	9.112	8.697	10.398	8.186
Maximum (mgd)	27.58	13.568	16.647	40.289	22.529	26.881	13.432
Average (mgd)	18.440	9.487	9.980	14.116	11.014	15.226	9.789
Rainfall (inches)	3.21	1.43	2.280	5.57	4.05	6.82	2.84

South Central Wastewater Authority
Leachate Truck Log

Current Max # of WM Trucks Allowed per agreement	16
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Date	Origination Site		Total Combined Trucks per day
	# from Amelia	# from Charles City	
11/1/2018	6	4	10
11/2/2018	6	4	10
11/3/2018			
11/4/2018			
11/5/2018	6	4	10
11/6/2018	6	1	7
11/7/2018	6	4	10
11/8/2018	6	4	10
11/9/2018	5	4	9
11/10/2018			
11/11/2018			
11/12/2018	6	4	10
11/13/2018	6	4	10
11/14/2018	6	4	10
11/15/2018	5	4	9
11/16/2018	6	3	9
11/17/2018			
11/18/2018			
11/19/2018	6	4	10
11/20/2018	6	4	10
11/21/2018	6	4	10
11/22/2018			
11/23/2018			
11/24/2018			
11/25/2018			
11/26/2018	6	4	10
11/27/2018	6	4	10
11/28/2018	6	4	10
11/29/2018	6	4	10
11/30/2018	6	4	10
Total	118	76	194

Notes:

- 1) On average each truck offloaded 6,665 gallons of leachate
- 2) The agreement with Waste Management is for \$0.095/gallon; on average the charge to offload a truck is \$633
- 3) Total leachate revenue for November 2018 is \$121,445.10

South Central Wastewater Authority
Leachate Truck Log

Current Max # of WM Trucks Allowed per agreement	16
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Date	Origination Site		Total Combined Trucks per day
	# from Amelia	# from Charles City	
12/1/2018			
12/2/2018			
12/3/2018	6	4	10
12/4/2018	6	4	10
12/5/2018	5	4	9
12/6/2018	6	4	10
12/7/2018	6	4	10
12/8/2018			
12/9/2018			
12/10/2018			
12/11/2018	4	4	8
12/12/2018	4	4	8
12/13/2018	6	4	10
12/14/2018	6	3	9
12/15/2018			
12/16/2018			
12/17/2018	4	4	8
12/18/2018	6	5	11
12/19/2018	6	3	9
12/20/2018	5	4	9
12/21/2018	6	4	10
12/22/2018			
12/23/2018			
12/24/2018			
12/25/2018			
12/26/2018	6	4	10
12/27/2018	6	5	11
12/28/2018	4	5	9
12/29/2018			
12/30/2018			
12/31/2018	5		5
Total	97	69	166

Notes:

- 1) On average each truck offloaded 6,665 gallons of leachate
- 2) The agreement with Waste Management is for \$0.095/gallon; on average the charge to offload a truck is \$633
- 3) Total leachate revenue for December 2018 is \$104,23.90

5. Items from Counsel

6. Closed Session

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

8. Adjourn