



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

SOUTH CENTRAL WASTEWATER AUTHORITY Board of Directors Meeting

DATE: November 19, 2020

TIME: 2:00 pm

LOCATION: **South Central Wastewater Authority**
Board Room, Administration Building
900 Magazine Road
Petersburg, VA 23803

AGENDA

1. Call to Order/Roll Call
2. Approval of Minutes: Minutes of the Board Meeting held on September 10, 2020 (Exhibit A, pages 2 to 4)
3. Public Comment (Exhibit B, page 5)
4. Executive Director's Report:
 - Nutrient Project Update (Exhibit C, pages 6 to 14)
 - Annual Financial Report Year Ended June 30, 2020: Robinson, Farmer, Cox Associates (Exhibit D, page 15)
 - Proposed 2020 Board Meeting Dates (Exhibit E, page 16)
 - Status Report: Ongoing Projects/Operations (Exhibit F, page 17 to 18)
 - Financials (Exhibit G, pages 19 to 21)
5. Board Officer Elections (Exhibit H, page 22)
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
September 10, 2020 at 2:00 p.m.
Location: South Central Wastewater Authority
900 Magazine Road, Petersburg, VA 23803

MEMBERS PRESENT:

Doug Smith, Chairman (Colonial Heights)
Kevin Massengill, (Dinwiddie)
Joseph Casey, (Chesterfield)

ALTERNATES PRESENT:

George Hayes, Secretary/Treasurer (Alternate, Chesterfield)
Frank Haltom, (Alternate, Prince George)
Lionel Lyons, (Alternate, Petersburg)
Todd Flippen, (Alternate, Colonial Heights)

ABSENT:

Aretha Ferrell-Benavides, Vice-Chairman (Petersburg)
Percy Ashcraft, (Prince George)
Scott Morris, (Alternate, Chesterfield)

STAFF PRESENT:

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

OTHERS PRESENT:

Chris Tabor, (Hazen)
Keith Boswell, (VA Gateway)

The SCWWA meeting was called to order after the conclusion of the ARWA Board meeting by Mr. Smith, Chairman, at 2:36 p.m.

1. Call to Order/Roll Call

The roll was called:	Doug Smith	Present
	Kevin Massengill	Present
	Joseph Casey	Present
	Frank Haltom	Present
	Lionel Lyons	Present

2. Approval of Minutes: Minutes of the Regular Meeting of the Board on July 16, 2020

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

RESOLVED, that the Minutes of the Regular Meeting of the Board on July 16, 2020 are hereby approved:

For: 5 Against: 0 Abstain: 0

3. Public Comment

There were no Public Comments.

4. Public Hearing for Amended FY21 Budget

Mr. Gordon reported on the Amended FY21 Budget. He stated the amended budget was advertised on August 23, 2020 and August 30, 2020. This revised budget reflected the deletion of two positions, the removal of proposed FY21 salary adjustments and minor health care costs adjustments.

Mr. Smith opened the Public Hearing at 2:39 p.m. on the FY21 Budget. No one signed up to speak and there were no comments. Mr. Smith closed the public comment portion of the public hearing. Mr. Anderson stated the same change for the ARWA Resolution wording will be changed on the SCWWA Resolution to read “none of the jurisdictions have implemented across the board salary adjustments”.

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

RESOLVED, that the Board approves the FY2020-21 budget dated July 16, 2020 and the Resolution provided by Legal Counsel as amended:

Doug Smith	Aye
Kevin Massengill	Aye
Joseph Casey	Aye
Frank Haltom	Aye
Lionel Lyons	Aye

For: 5 Against: 0 Abstain: 0

5. Executive Director's Report:

- **Nutrient Project Update**

Mr. Gordon reported on the nutrient project update. He stated three engineering firms responded to the RFP #20-001 (Hazen, Ramboll, Whitman Requardt and Associates). The proposals were reviewed by an evaluation committee which was made up of Mr. Wilson, Mr. Gordon, Mr. Ray Burpoe (Operations Manager), Mr. Monty Buchanan (Asst. Operations Manager), and Mr. Bill Simms (Maintenance Chief). Mr. Gordon stated the interviews were held on August 18th and August 20th. The Committee agreed Hazen was the top-ranking respondent. The evaluation included providing non-binding cost estimates. The estimated design time is about fifteen to eighteen months, and construction would take about three years. He further stated as a safety the Authority will be purchasing nitrogen credits from Chesterfield County. He stated the Executive Director has talked with the Authority's DEQ grant writer, Mr. Crocker, and we hope to have an update in November for the Board. He further stated DEQ is behind on grant submittal reviews. Mr. Gordon stated we will probably get a notification from someone higher than Mr. Crocker, and it could be Mr. Paylor (DEQ Director) or Mr. Strickler (Secretary of Natural Resources) prior to the draft grant agreement.

Mr. Gordon stated staff requests the Board award the engineering design and construction administration contract for the nutrient project to Hazen. The Executive Director requests a 5% contingency be added to the estimated engineering cost for a total of \$5.2 million. At this time, staff would issue a purchase order for design services only which would be \$3.0 million. The construction administration task, including resident inspection, would not be issued until plan, review, permitting, and regulatory review are completed and a grant agreement with the Commonwealth has been approved by the Board.

Mr. Haltom asked if the PER identified what the potential engineering cost would be, and Mr. Gordon replied yes. Mr. Wilson replied the VE illustrated an estimated engineering cost right at \$5.3 million. He stated the VE and the PER were provided to all three firms for preparing their responses to the RFP.

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

RESOLVED, that the Board approves the award as recommended by Staff the approximate \$3 million in engineering costs at this time:

Doug Smith	Aye
Kevin Massengill	Aye
Joseph Casey	Aye
Frank Haltom	Aye
Lionel Lyons	Aye

For: 5 Against: 0 Abstain: 0

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

Mr. Gordon reported on the Status Report. He stated the new VOSH standards is the same as in ARWA's meeting. The VOSH standard requires certain notifications to staff. We continue to take temperatures and have questionnaires completed at the beginning of each shift. He further stated the notifications were developed in-house, and we would be happy to provide copies upon request.

He stated we recently contracted with WW Associates to begin the design on the new drain pump station. He further stated we will be bringing the bids for that project to the Board at a future meeting.

- **Financials**

Ms. Wilkins reported on the Financials. She stated that on pages 19 through 21 of the Board package, you will find the year to date financial results for SCWWA. She further stated that all the field work for the FY19-20 audit has been completed, but until the CAFR has been approved the balance sheet will not roll forward. She stated our O&M expenses are in line with our budget.

Ms. Wilkins reported that year to date through the end of August 2020, SCWWA has received an additional \$65,000 towards the Alum Litigation Proceeds. She stated those funds as approved by the Board will be moved to the capital reserve account.

6. Items from Counsel

There were no items from Counsel.

7. Closed Session

There was no Closed Session.

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

Mr. Wilson stated we are going to make a presentation to the Colonial Heights City Council to update them on the nutrient project. He further stated if any other Board members need us to come to their meetings, since this is going to be a significant project, we would be happy to schedule that and make that presentation.

Mr. Wilson stated he wanted to reiterate on the nutrient project. We have the cash to pay for design. The debt service currently built in the rates is \$35 million. The current WQIF estimate for the local share is \$32 million.

Mr. Wilson stated we had talked to Mr. Pomeroy, and in the VAMWA meeting they presented a spreadsheet that illustrated everybody's request for WQIF funds. He further stated the total is over \$1 billion.

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 Mr. Haltom the meeting was adjourned at 2:56 p.m.

MINUTES APPROVED BY:

George Hayes
Secretary/Treasurer



APPOMATTOX RIVER WATER AUTHORITY
21300 Chesdin Road
Petersburg, VA 23803



SOUTH CENTRAL WASTEWATER AUTHORITY
900 Magazine Road
Petersburg, VA 23803

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, Executive Director
James Gordon, Assistant Executive Director

DATE: November 19, 2020

SUBJECT: Nutrient Project Update

At the September 10, 2020 Board of Directors meeting, the Board accepted staff's recommendation to enter into a contract with the engineering firm, Hazen, for the design of the Nutrient Reduction Project. After that approval staff finalized the contract and it has been executed. The cost for the design will be \$3,316,735. This portion of the contract is for the design services to upgrade the South Central Wastewater Treatment Plant to a five-stage enhanced nutrient removal (ENR) process to reduce the effluent nitrogen levels to 4.0 mg/l and phosphorous levels to 0.3 mg/l. No additional wastewater capacity is added to the plant. In addition, the design portion of the contract includes the design for a new road across Pocahontas Island through the Roper property, funds for pre-purchasing equipment and procurement support for contractor prequalification. The pre-purchasing of equipment is slated for the solids handling equipment – gravity belt thickeners and belt filter presses that are being replaced in kind. Currently staff is having parts fabricated when needed, since they are no longer available. The solids handling equipment is beyond its useful life.

On June 30, 2020, the Preliminary Engineering Report (PER) and Value Engineering Report (VE) were hand delivered to Mr. Crocker of the Department of Environmental Quality (DEQ) by the executive director and assistant executive director. Mr. Crocker is providing the compliance review for the Water Quality Improvement Fund (WQIF). While Mr. Crocker was performing his review of our submittals, we received a letter from the Director of DEQ, Mr. David Paylor, dated September 30, 2020 stating a grant percentage of 95% of eligible costs is appropriate. An important note here is that the 95% grant is for nutrient qualifying processes and not 95% of the total project. Mr. Paylor goes on to state that DEQ would consider principal forgiveness from the Virginia Clean Water Revolving Loan Fund (VCWRLF) upon receipt of a VCWRLF application for this project. These details are outlined in the last two paragraphs of the letter. The letter from Mr. Paylor is included as Attachment 1.

Since the September Board meeting, the executive director has made a presentation to both the City of Colonial Heights Council and City of Petersburg Council. We are happy to provide copies of those outlines or develop new outlines for the other members.

At this time, we have not received a draft grant agreement from Mr. Crocker.

The upcoming steps for next year are:

- Proceed with the design. The design should be completed in February 2022.
- Work through the details with Mr. Crocker and DEQ on the draft grant agreement. We would hope that Mr. Crocker would have something for us to begin to discuss at the January Board meeting.
- Work with Davenport to determine all the financial implications to each participating member.
- Obtain an understanding of the financial implications so that each participating member can go back to their respective boards and councils to gain approval to move forward with the necessary financing. We will be happy to be part and/or provide support for those presentations.
- Have Authority counsel develop the necessary finance documents (late next year).
- Keep DEQ informed.

Board Action Requested:

No Board action is requested at this time.



COMMONWEALTH of VIRGINIA

DEPARTMENT OF ENVIRONMENTAL QUALITY

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Matthew J. Strickler
Secretary of Natural Resources

David K. Paylor
Director

(804) 698-4020
1-800-592-5482

September 30, 2020

Mr. Robert B. Wilson
Executive Director
South Central Wastewater Authority
900 Magazine Road
Petersburg, VA 23803
rwilson@arwava.org

Re: Water Quality Improvement Fund Grant Eligibility Analysis
South Central Wastewater Authority

Dear Mr. Wilson:

This correspondence provides the Department of Environmental Quality's (DEQ's) response following review and evaluation of the Water Quality Improvement Fund Grant Eligibility Analysis Pursuant to Va. Code § 10.1-2129 B 3 submitted by the South Central Wastewater Authority (SCWWA) for the South Central Wastewater Treatment Plant (WWTP) dated May 2020.

Background

Section 10.1-2129 B 3 of the Code of Virginia provides that:

Notwithstanding the provisions of subsection E of § 10.1-2131, the Director of the Department of Environmental Quality may approve a local government point source grant application request for any single project that exceeds the authorized grant amount outlined in subsection E of § 10.1-2131. Whenever a local government applies for a grant that exceeds the authorized grant amount outlined in this chapter or when there is no stated limitation on the amount of the grant for which an application is made, the Directors and the Secretary shall consider the comparative revenue capacity, revenue efforts and fiscal stress as reported by the Commission on Local Government.

Subsection E of § 10.1-2131 provides for grants of 35, 45, 60, or 75 percent of the costs of the design and installation of nutrient removal technology based on the ratio of annual sewer charges to reasonable sewer costs.

The Virginia Water Quality Improvement Fund Guidelines (Guidelines), issued November 2006 and updated May 2012 by the Secretary of Natural Resources, state that, as provided for in §

10.1-2131 E of the Code of Virginia grants shall be awarded for 35, 45, 60, or 75 percent of the costs of the design and installation of nutrient removal technology based on the ratio of annual sewer charges to reasonable sewer costs. The Guidelines further state that:

The Director may approve a point source grant application that exceeds the authorized grant amount outlined in § 10.1-2131.E. of the Act and described above in Section F.1-4. Whenever a grant application exceeds the authorized grant amount outlined above, or when there is no stated limitation on the amount of the grant, the Director shall consider the comparative revenue capacity, revenue efforts and fiscal stress as reported by the Commission on Local Government.

DEQ's Guidance Memorandum No. 06-2012, Amendment #1 (Guidance), dated December 10, 2007, states that:

The Director may approve a request for cost share above the authorized grant amount specified in the WQIA. Whenever an application exceeds the authorized grant amount, the Director shall consider the additional factors of comparative revenue capacity, revenue efforts and fiscal stress as reported by the Commission on Local Government.

The Guidance further provides that for grant requests above 75%, DEQ staff will apply the following criteria:

1. If ratio of current sewer cost to reasonable charge is 1.0 or above, and locality's fiscal stress rating is "above average", then cost share = 80%.
2. If ratio of current sewer cost to reasonable charge is 1.0 or above, and locality's fiscal stress rating is "high", then cost share = 90%.
3. If ratio of current sewer cost to reasonable charge is 1.25 or above, then cost share = 90%.

SCWWA has requested grant funding of 95% or higher for the cost of design and installation of nutrient removal technology for the South Central WWTP. SCWWA has provided information in support of this request, including but not limited to information on revenue and fiscal stress factors.

SCWWA is governed by a five member board comprised of one representative from each of the member localities. Member localities include the cities of Petersburg and Colonial Heights, and the counties of Chesterfield, Dinwiddie, and Prince George. Costs for capital improvements are

required to be allocated in proportion to each locality's capacity allocation under the regional agreement, as follows:

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

Information on sewer cost to reasonable charge ratio, comparative revenue capacity, revenue efforts, and fiscal stress was provided only for City of Petersburg as the majority responsible party. The Guidance states that when determining the appropriate grant percentage where multiple jurisdictions receive sewer service through a District/Authority or an inter-municipal agreement, weighted averages of the median household income and sewer charge will be calculated for comparison to the "reasonable sewer costs." Staff will interpret these factors to be weighted according to the current conditions. In order to maintain consistency with this Guidance, DEQ evaluated sewer cost to reasonable charge ratio, comparative revenue capacity, revenue efforts, and fiscal stress as a weighted average of the five member jurisdictions of SCWWA using the capacity allocation under the regional agreement, in addition to evaluation of Petersburg as the majority responsible party.

Evaluation

Current Sewer Cost to Reasonable Charge Ratio

In accordance with the Guidance, for grant requests above 75%, DEQ evaluates the following scenarios:

1. If ratio of current sewer cost to reasonable charge is 1.0 or above, and locality's fiscal stress rating is "above average", then cost share = 80%.
2. If ratio of current sewer cost to reasonable charge is 1.0 or above, and locality's fiscal stress rating is "high", then cost share = 90%.
3. If ratio of current sewer cost to reasonable charge is 1.25 or above, then cost share = 90%.

The SCWWA weighted average of current sewer cost to reasonable charge ratio is 1.14 and for Petersburg, as the majority share locality, the ratio is 1.64. As described below, the SCWWA weighted average fiscal stress is high. Pursuant to the Guidance, this would result in a 90% cost share for SCWWA. While the Guidance provides for cost share of up to 90%, neither the Code

of Virginia nor the Guidelines limit cost share to 90%. The Guidance includes a disclaimer, which notes the Guidance “does not mandate any particular method nor does it prohibit any particular method for the analysis of data, calculation of a WQIF cost share percentage, or establishment of an eligible scope of work” (emphasis added). The disclaimer further provides, “If alternative proposals are made, such proposals may be reviewed and accepted or denied based on their technical adequacy and compliance with appropriate laws and regulations.” As explained below, based on the statutory factors outlined in § 10.1-2129 B 3 of the Code of Virginia DEQ has determined in this case SCWWA’s request for a cost share percentage greater than 90% is warranted based on an evaluation of SCWWA’s comparative revenue capacity, revenue effort, and fiscal stress as reported by the Commission on Local Government (COLG).

Comparative Revenue Capacity

Revenue capacity, as defined by the COLG, is the per capita measure of how much tax revenue a locality could collect per person from its base if it used statewide average rates.

The average revenue capacity per capita in the Commonwealth is \$2,105.18 compared with the SCWWA weighted average revenue capacity per capita of \$1,546.85. The SCWWA revenue capacity is 73% of the statewide average and would rank 32 out of 133, or in the top 24% in the Commonwealth, in highest stress associated with this factor. Petersburg’s revenue capacity is \$1,184.21, which is 56% of the statewide average, ranks 4 out of 133, or in the top 3% in the Commonwealth in highest stress for this factor.

Revenue Effort

A locality’s revenue effort is calculated as its own-source revenue collections divided by its revenue capacity.

The average revenue effort across the Commonwealth is 0.9294. Virginia localities collect \$0.9294 for every \$1.00 of revenue capacity. The SCWWA weighted average revenue effort is 1.2947 and would rank 23 out of 133, or in the top 18% in the Commonwealth, in highest stress associated with this factor. The revenue effort for Petersburg is 1.5303 and ranks 7 out of 133, or in the top 6% in the Commonwealth.

Fiscal Stress

Fiscal stress index indicates a locality’s ability to generate additional local revenues from its current tax base relative to the rest of the Commonwealth. A score of 100 is the average fiscal

stress relative to the rest of the Commonwealth, fiscal stress above 100 indicates higher fiscal stress than average, fiscal stress below 100 indicates lower fiscal stress than average. Fiscal stress scores are also categorized based on the standard deviation of fiscal stress scores across the Commonwealth, scores above one standard deviation are defined as high stress and below one standard deviation are defined as below average stress. Using the 2017 index, a score above 103.71 is considered a high fiscal stress score.

The SCWWA weighted average fiscal stress is 104.04 indicating high fiscal stress and would rank 22 out of 133, or in the top 17% in the Commonwealth, in highest fiscal stress. Petersburg's fiscal stress is 107.09, which ranks 2 out of 133, or in the top 1.5% in the Commonwealth for this factor.

Table 1 – Evaluation Data

Stress Factors*	Current Sewer Cost to Reasonable Charge Ratio	Comparative Revenue Capacity	Revenue Effort	Fiscal Stress
Commonwealth Average	N/A	\$2,105.18	0.9294	100
SCWWA Weighted Average	1.14	\$1,546.85	1.2947	104.04
Stress ranking out of 133	N/A	32	23	22
Percentage ranking	N/A	24.1%	17.3%	16.5%
Majority Share Locality (> 50% share)				
Petersburg (52.5%)	1.64	\$1,184.21	1.5303	107.09
Stress ranking out of 133	N/A	4	7	2
Percentage ranking	N/A	3.0%	5.3%	1.5%
Remaining Localities				
Colonial Heights	0.63	\$2,125.47	1.3163	102.54
Chesterfield	0.43	\$2,091.75	0.8492	97.92
Dinwiddie	0.44	\$1,745.76	0.8083	100.27
Prince George	0.87	\$1,550.55	0.8308	99.88

*Data taken from the COLG July 2019 report

Conclusion

DEQ reviewed and evaluated the Water Quality Improvement Fund Grant Eligibility Analysis Pursuant to Va. Code § 10.1-2129 B 3 submitted by SCWWA for South Central WWTP dated May 2020. In this document SCWWA requested grant funding of 95% or higher for the cost of

design and installation of nutrient removal technology for the South Central WWTP pursuant to § 10.1-2129 B 3 of the Code of Virginia. In accordance with § 10.1-2129 B 3 of the Code of Virginia, the Guidelines, and the Guidance, DEQ's evaluation of this request considered the weighted average of SCWWA and the majority share locality to localities in the Commonwealth using four factors:

1. Current sewer costs to reasonable charge ratio
2. Comparative Revenue Capacity
3. Revenue Efforts
4. Fiscal Stress

The weighted average of current sewer cost to reasonable charge ratio for SCWWA is 1.14 and the SCWWA weighted average fiscal stress is high. The ratio for Petersburg is 1.64 and fiscal stress is high. Pursuant to the Guidance, this would result in a 90% cost share for SCWWA. While the Guidance provides for cost share of up to 90%, neither the Code of Virginia nor the Guidelines limit cost share to 90%. The Guidance includes a disclaimer, which notes the Guidance “does not mandate any particular method nor does it prohibit any particular method for the analysis of data, calculation of a WQIF cost share percentage, or establishment of an eligible scope of work” (emphasis added). The disclaimer further provides, “If alternative proposals are made, such proposals may be reviewed and accepted or denied based on their technical adequacy and compliance with appropriate laws and regulations.”

DEQ proceeded to evaluate SCWWA's request pursuant to the three statutory factors listed in § 10.1-2129 B 3: comparative revenue capacity, revenue efforts, and fiscal stress as reported by the COLG. The results of the evaluation indicate that SCWWA localities experience relatively high stress compared with the rest of the Commonwealth, ranking in the highest 25% in all three remaining factors. And Petersburg, as the majority share locality, experiences the highest stress in the Commonwealth, ranking in the top 5.5% in all three stress factors.

DEQ, therefore, concludes that a WQIF grant percentage of 95% of eligible costs is appropriate for upgrades to the South Central WWTP as outlined in the Water Quality Improvement Fund Grant Eligibility Analysis Pursuant to Va. Code § 10.1-2129 B 3 submitted by SCWWA for the South Central Wastewater Treatment Plant (WWTP) dated May 2020.

With respect to the other requests made by SCWWA listed on page 12 of the document, DEQ plans to review unit process eligibility percentages during evaluation of the Preliminary Engineering Report (PER) and Value Engineering Report (VER) for the project. Project-specific grant agreement provisions will be evaluated following review of the PER and VER during drafting of the grant agreement. Additionally, evaluation for a loan and/or principal forgiveness from the Virginia Clean Water Revolving Loan Fund (VCWRLF) will be completed upon receipt of a VCWRLF application for the project.

Mr. Robert B. Wilson
September 30, 2020
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Should you have any questions regarding information provided in this correspondence, please feel free to contact me or Karen Doran at (804) 698-4133 or karen.doran@deq.virginia.gov.

Sincerely,

A handwritten signature in black ink, reading "David K. Paylor". The signature is written in a cursive style with a large, stylized "D" and "P".

David Paylor

cc: Karen Doran, DEQ-CWFAP



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Petersburg, VA 23803
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EXHIBIT D

Annual Financial Report Year Ended June 30, 2020

Robinson, Farmer, Cox Associates

(With size of the digital file, the report is being sent under separate cover)



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EXHIBIT E

TO: South Central Wastewater Authority Board of Directors

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

DATE: November 19, 2020

SUBJECT: Proposed Meeting Schedule for Calendar Year 2021

Staff is proposing the following calendar year 2021 meeting schedule:

January 21 st	Appomattox River Water Authority
March 18 th	South Central Wastewater Authority
May 20 th	Appomattox River Water Authority
July 22 nd	Appomattox River Water Authority
September 23 rd	South Central Wastewater Authority
November 18 th	South Central Wastewater Authority

Meetings will be scheduled for 2:00 pm at the stated plant location. The Appomattox River Water Authority is located at 21300 Chesdin Road, South Chesterfield, VA and the South Central Wastewater Authority is located at 900 Magazine Road, Petersburg, VA.

Board Action Requested:

Staff requests that the Board approved the proposed meeting schedule for regular scheduled meetings for calendar year 2021 as presented above.



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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: November 19, 2020

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. Some of the information is duplicate and already been provided through weekly updates since the last meeting was in July.

➤ General

- The next proposed Board of Directors Meeting is Thursday, January 21, 2021 at the Appomattox River Water Authority at 2:00 pm.
- On September 16, 2020, DEQ was onsite for an inspection. This positive inspection report is a direct reflection of the commitment, dedication and attention to detail by all. We would be happy to provide a copy of the October 21, 2020 report if anyone would like it.
- We are developing the proposed FY2022 budget for presentation at the January board meeting. We will be contacting utility directors/engineers to review and discuss the preliminary budget in early December.
- On average, the SCWWA received 5 trucks of leachate per day for September and October. Revenues for September were \$62,265 and for October were \$72,050
- SCWWA's annual total nitrogen waste load allocation (WLA) is 350,239 lbs. Through October we have discharged 348,023 lbs. We have a contract with Chesterfield to purchase 171,694 lbs to cover any WLA overage.
- SCWWA's annual total phosphorus WLA is 28,404 lbs. Through October we have discharged 23,934 lbs. Staff are monitoring and treating phosphorus in the effluent to ensure we are under our WLA for the year.
- Annual chemical bid invitation packets will be going out in December and bids will be received in January.
- Assistant Operations Manager Monty Buchanan is retiring December 31, 2020 after 10+ years with SCWWA and 41+ years in the utility industry.

➤ Operations

- Plant effluent met all permit requirements for September and October 2020.
- The average daily effluent flow for September was 15.29 mgd and October was 18.47 mgd.

- Staff continues to work with NutriBlend to ensure timely removal of biosolids. The joints in the solids pad are being rehabbed and this is limiting space for storage and access. Due to this work and recent NutriBlend equipment issues they requested and were authorized to haul on Saturday November 7th. Petersburg was notified of the request. To our knowledge there were no issues for this weekend.

➤ Maintenance

- Covers for scum pots are scheduled to be installed. This will keep them out of the weather and allow the area to be heated in the winter to prevent freezing issues.
- A replacement drain pump for the aeration tanks has been ordered. Once received staff will install.
- To improve reliability, the bearings on the belt filter presses (BFP) are being greased and checked more frequently. A torn belt on BFP2 is being replaced. This is the equipment that we would like to pre-purchase and replace at the beginning of the Nutrient Project.

➤ Instrumentation

- One of our instrumentation technicians met with Colonial Heights utility staff to discuss options for obtaining the Colonial Heights Main Pump Station flow numbers from their SCADA. This would provide more accurate and reliable influent flow data from this line. The current insertion probe meter is labor intensive to clean to ensure accuracy. In the future, we could also use this information to determine incoming flow for pacing chemicals feeds.
- The new fiber optic line has been pulled to include the sodium bisulfite building in the communication ring. A replacement Redlion controller has been installed and tuned for feed control.
- Emerge is currently working on the construction of the new PLC3 (blower building). This PLC controls the blowers, chlorine, and dechlor feeds. Once construction is complete, we will schedule the PLC for installation.
- A new final effluent flow meter is being installed at the effluent flume. The current meter is old and obsolete. The new meter will be needed during switch over to the new PLC.
- Staff built and installed a new alum PLC. The new setup allows for feed control from SCADA.

➤ Laboratory

- Industrial Discharge Permits were renewed this year for Prudential Overall Supply, Boar's Head, and Rolls-Royce.
- Laboratory passed all parameters on this year's Proficiency Testing.
- Both semi-annual WET tests came back with no toxicity.
- Working through a Notice of Violation with Virginia Linen.

➤ Annual Maintenance Inspection

- WW Associates has provided a draft Annual Maintenance Inspection for review.

➤ Drain Pump Station

- WW Associates is designing the new headworks drain pump station. We have received preliminary drawings.

South Central Wastewater Authority
For Month Ending October 31, 2020

Assets**Current Assets**

Petty Cash	\$ 250
Wells Fargo Operating Account	\$ 1,849,531
Total Unrestricted Cash	\$ 1,849,781

Wells Fargo Reserve	\$ 3,916,414
Wells Fargo Capital Improvement Reserve	\$ 83,960
ERRF	\$ -
LGIP-ERRF	\$ 2,710,468
LGIP_Capital Improvements Reserve	\$ 7,939,624
Total Restricted Cash	\$ 14,650,466

Total Checking/Savings	\$ 16,500,247
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Accounts Receivable	\$ 499,810
Prepaid Expenses	\$ 48,376
Long Term Receivable (Petgs/Legal)	\$ -

Total Current Assets	\$ 17,048,433
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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)

Total Fixed Assets	\$ 16,945,215
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Other Assets

Inventory	\$ 787,928
Def Out Res-Post ER Pension Con	\$ 89,508
Deferred Outflows-GLI OPEB	\$ 31,804

Total Other Assets	\$ 909,240
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Total Assets	\$ 34,902,889
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Liabilities & Equity**Current Liabilities**

Accounts Payable	\$ 19,279
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Total Current Liabilities	\$ 19,279
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Other Current Liabilities

Payroll Accruals	\$ 247,612
Retainage Payable	\$ -
Suspense-Clearing Account	\$ 183,333
Refunds Due Member Localities	\$ 69,708

Total Other Current Liabilities	\$ 500,653
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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

Total Long-Term Liabilities	\$ 467,050
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Total Liabilities	\$ 986,982
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Equity

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

Net Income	\$ 1,359,992
	\$ 33,915,906

Total Equity

Total Liabilities & Equity	\$ 34,902,889
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South Central Wastewater Authority
YTD Income Statement for the period ending October 31, 2020

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	\$ -	\$ -	\$ 251,358	\$ 251,358	#DIV/0!
O&M Revenue	\$ 6,484,600	\$ 2,161,533	\$ 2,161,533	\$ -	0.00%
Capital Improvements Reserve	\$ 2,250,000	\$ 750,000	\$ 750,000	\$ -	0.00%
ER&RF Revenue	\$ -	\$ -	\$ -	\$ -	#DIV/0!
<i>Total Operating Revenues</i>	\$ 8,734,600	\$ 2,911,533	\$ 3,162,891	\$ 251,358	8.63%

Expenses

Personnel Cost	\$ 2,811,600	\$ 937,205	\$ 900,153	\$ (37,052)	-3.95%
Contractual/Professional Services	\$ 405,000	\$ 135,000	\$ 98,310	\$ (36,690)	-27.18%
Utilities	\$ 483,500	\$ 161,167	\$ 129,611	\$ (31,556)	-19.58%
Communication/Postage/Freight	\$ 31,500	\$ 10,500	\$ 11,509	\$ 1,009	9.61%
Office/Lab/Purification Supplies	\$ 80,000	\$ 26,672	\$ 24,444	\$ (2,228)	-8.35%
Insurance	\$ 70,000	\$ 70,000	\$ 65,221	\$ (4,779)	-6.83%
Lease/Rental Equipment	\$ 11,000	\$ 3,667	\$ 2,153	\$ (1,514)	-41.28%
Travel/Training/Dues	\$ 60,000	\$ 19,992	\$ 22,238	\$ 2,246	11.24%
Safety/Uniforms	\$ 39,000	\$ 13,000	\$ 8,760	\$ (4,240)	-32.61%
Chemicals/Sludge Disposal	\$ 925,000	\$ 308,331	\$ 221,560	\$ (86,771)	-28.14%
Repair/Maintenance Parts & Supplies	\$ 480,000	\$ 160,003	\$ 179,617	\$ 19,614	12.26%
<i>Total Operating Expenses</i>	\$ 5,396,600	\$ 1,845,536	\$ 1,663,576	\$ (181,960)	-9.86%
<i>Operating Suplus/(Deficit)</i>	\$ 3,338,000	\$ 1,065,997	\$ 1,499,315	\$ 433,318	40.65%

Replacement Outlay Budget vs. Actual

Machinery & Equipment	\$ 140,000	\$ 46,672	\$ 36,763	\$ (9,909)	-21.23%
Instrumentation	\$ 88,000	\$ 29,328	\$ -	\$ (29,328)	-100.00%
SCADA	\$ 15,000	\$ 5,000	\$ -	\$ (5,000)	-100.00%
Computer Equipment	\$ 10,000	\$ 3,333	\$ -	\$ (3,333)	-100.00%
Motor Vehicles	\$ 35,000	\$ 11,664	\$ -	\$ (11,664)	-100.00%
Construction	\$ 250,000	\$ 83,336	\$ -	\$ (83,336)	-100.00%
Special Studies	\$ -	\$ -	\$ -	\$ -	#DIV/0!
<i>Total Replacement Outlay</i>	\$ 538,000	\$ 179,333	\$ 36,763	\$ (142,570)	-79.50%

Other Income/Expense Budget vs. Actual

Nutrient Credit Purchases (Expense)	\$ 550,000	\$ 183,336	\$ 183,333	\$ (3)	0.00%
Nutrient Reduction	\$ -	\$ -	\$ 5,048	\$ 5,048	#DIV/0!
Interest-Income	\$ -	\$ -	\$ 8,711	\$ 8,711	#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!

South Central Wastewater Authority
Executive Review
Cash and Debt Highlights
As of October 31, 2020

Highlights: SCWWA Cash Positions	30-Jun-20		31-Oct-20		Change	Explanation
Unrestricted Cash & Investments:						
Petty Cash	\$	250.00	\$	250.00	\$ -	On-Hand Petty Cash for incidental expenses
Wells Fargo Operating Account	\$	1,158,702.32	\$	1,849,531.05	\$ 690,828.73	Financial Policy: All incoming O & M charges under service agreement
Wells Fargo Reserve Account	\$	3,916,414.45	\$	3,916,414.45	\$ -	Financial Policy: 50% of Authority's Annual O & M Budget
Wells Fargo-Capital Improvements Res	\$	2,391,235.75	\$	-	\$ (2,391,235.75)	Old Capital Reservce Account-Closed once LGIP Accounts Established
Wells Fargo-Incoming Leachate/Septage	\$	-	\$	83,959.52	\$ 83,959.52	Incoming Leachate Revenues-Moved Quarterly to LGIP Account
Restricted Cash and Investments:						
LGIP-ERRF	\$	2,710,467.97	\$	2,710,467.97	\$ -	Resolution adopted by BOD, January 2018
LGIP-Capital Improvement Reserve	\$	5,373,006.28	\$	7,939,624.45	\$ 2,566,618.17	Resolution adopted by BOD, January 2018
Total Cash and Investments	\$	15,550,076.77	\$	16,500,247.44	\$ 950,170.67	



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EXHIBIT H

TO: South Central Wastewater Authority Board of Directors

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

DATE: November 19, 2020

SUBJECT: Officer Elections

Officer elections are held on the final annual meeting of even numbered years. The term for an officer is two years. There are no term limits outlined in the bylaws. The chairman and vice chairman are required to be a primary member whereas the secretary and treasurer may be an alternate. The bylaws allow for a separate secretary and treasurer. The Board has consistently voted to have one representative be the secretary/treasurer. The current list of officers is:

Chairman	Doug Smith	Primary Member	City of Colonial Heights
Vice Chairman	Aretha Ferrell-Benavides	Primary Member	City of Petersburg
Secretary/Treasurer	George Hayes	Alternate Member	Chesterfield County

Board Action Requested:

Staff requests the Board hold officer elections for the 2021 – 2022 term beginning January 1, 2021.