

Appomattox River Water Authority

Board of Directors Meeting

DATE: January 16, 2020

TIME: 2:00 PM

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

AGENDA

1. Call to Order/Roll Call
2. Approval of Minutes: Minutes of the Board Meeting held on November 14, 2019
3. Public Comment
4. Executive Director's Report:
 - Current Reservoir Status
 - Annual Flushing Notice
 - Presentation of Proposed FY 2020/21 Operating Budget
 - Status Report: Ongoing Projects/Operations/Financials
5. Items from Counsel
6. Closed Session
7. Other Items from Board Members/Staff Not on Agenda:
8. Adjourn

Cc: George Hayes/S. Morris, Chesterfield
L. Lyons, Petersburg
W. Henley, Colonial Heights
F. Haltom, Prince George
A. Anderson, McGuire Woods

1. Call to Order/Roll Call

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

Following are minutes of the Regular Scheduled Board Meeting held on November 14, 2019.

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

BOARD OF DIRECTORS MEETING
Appomattox River Water Authority
November 14, 2019 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, Vice-Chairman (Dinwiddie)
Aretha Ferrell-Benavides, (Petersburg)
Joseph Casey, (Chesterfield)

ALTERNATES PRESENT:

George Hayes, Secretary/Treasurer (Alternate, Chesterfield)
Frank Haltom, (Alternate, Prince George)
Robert B. Wilson, (Alternate, Dinwiddie)
Scott Morris, (Alternate, Chesterfield)

ABSENT:

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

STAFF PRESENT:

Robert C. Wichser, 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:

Herb White, (WW Associates)
Chris Tabor, (Hazen and Sawyer)
Ron Taylor, (Hazen and Sawyer)
Steven Nebiker, (Hazen and Sawyer)
Keith Boswell, (VGR)
Mary Martin-Selby, Director of Human Resources (Chesterfield)
Andrew Barnes, (Petersburg)
Justin Gordon, (Citizen)
David Roberts, (Citizen)
Clint Russell, (Citizen)
Daniel Maloney, (Citizen)
Jeremiah Van Zile, (Citizen)
Benjamin Packett, (Robinson, Farmer, Cox Associates)
Ray Burpoe, (SCWWA/ARWA Maintenance/Operations Manager)
Monty Buchanan, (SCWWA Asst. Operations Manager)
William Simms, (SCWWA Maintenance Supervisor)
Scott Farrar, (SCWWA/ARWA Instrumentation/IT Manager)
Walter Richters, (SCWWA/ARWA Inst./IT Tech Advisor)
Clinton Popp, (SCWWA Lab/IPP Supervisor)
Michael Callen, (ARWA Manager of Water Operations)
Harry A. Smith, (ARWA Chief of Operations)
Terry Lufsey, (ARWA Maintenance Supervisor)
Anyia Hiatt, (ARWA Laboratory Supervisor)

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

1. Call to Order/Roll Call

The roll was called.

Mr. Smith presented a Resolution recognizing Dr. Wichser for his contributions and dedication to both Authorities for the past seven years.

Upon a motion made by Mr. Massengill and seconded by Ms. Ferrell-Benavides the Board approved the Resolution:

RESOLVED, that the Resolution honoring Dr. Wichser is hereby approved:

For: 5 Against: 0 Abstain: 0

2. Approval of Minutes: Minutes of the Regular Meeting of the Board on September 12, 2019

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

RESOLVED, that the Minutes of the Regular Meeting of the Board on September 12, 2019 are hereby approved:

For: 5 Against: 0 Abstain: 0

3. Public Comment

Mr. Smith opened the Public Comment period.

Justin Gordon, 13001 Donegal Drive, Chesterfield, VA 23832, thanked the ARWA Board for public land hunting on Lake Chesdin. He stated he goes out there routinely and relies on the Lake for public hunting opportunities.

Clint Russell, 8401 Rock Valley Lane, Chesterfield, VA 23838, stated he is also a member of a hunt club that is on the Appomattox River and there has been an issue with people walking in to hunt. He further stated they have had challenges with people setting up directly across from their duck blinds.

Jeremiah Van Zile, 7534 S. Franklins Way, Quinton, VA 23141, stated he grew up in Richmond, got his duck hunting start on the Lake. He further stated Lake Chesdin has a lot of new waterfowl hunters and allows open access to so much and he would hate to see that go. He stated neighboring hunt clubs are talking about conflicts with people that come to the Lake, and there are people that like to push the envelope that don't understand the rules and the laws. He doesn't want that to take away from the people who are doing it appropriately.

Dr. Casey arrived at 2:08 p.m. and took over for Mr. Morris. Mr. Hayes arrived at 2:09 p.m.

Mr. Smith closed the Public Comment period. He stated we do not have an action item on this topic at this public meeting, but we do have an item under the Executive Director's Report where we may have some brief statements to make at that point, but no action to be taken by the Board on this matter at today's meeting.

4. Executive Director's Report

- **Reservoir Status Update for October/November 2019**

Dr. Wichser reported on the reservoir status update for October/November 2019. He stated today the reservoir pool level is one-half inch overflowing the dam, and what we have coming in from the reservoir's USGS Route 602 bridge gage today is 184 million gallons of water. He further stated that on November 1st, the Virginia DEQ issued the statewide lift on the drought advisory watch. He stated this was done based on the water levels on recovering on November 1st as the streams and wells in Virginia returned to normal ranges after the recent rainfall. He further stated that stream flow at nearly all gauging stations across the Commonwealth returned to normal values.

- **Continuation of review, consideration and discussion of Hunt Club recommendations made at the September 12 Board Meeting**

Mr. Smith stated this item was brought up at the last Board meeting with some recommendations from the hunt club, and there has been some discussion with the groups involved with that. He further stated there is additional work to be done on the hunt club's part. He stated there is no action item for the Board to eliminate hunting in this area.

Dr. Casey stated we want to help out private property owners as well as tenants of private property such as a hunt club and they just really want to try and make sure that what's past the 160' line is respected as their private property. He further stated anyone amongst the water's edge would also want that same respect.

Mr. Massengill stated that at the September Board meeting the Hickory Road Hunt Club had some specific issues, and at the conclusion of the meeting, Staff was asked to go back and look more

specifically at some of the issues. He thanked Chesterfield for asking Dinwiddie to sit in the meeting to get our heads around some of the questions relative to that. He thought Dr. Casey did a good job of explaining where we are.

Dr. Casey stated that while we had deferred this item to this meeting, he thinks they are reviewing the methods of some professional firms to best demark the 160' line. He further stated we had gone through what we think could be a professional firm, and they are figuring out if that is the manner in which they want to do it. He further stated the hunt club had spoken to him personally, and they are focused on the 160' line back towards their property not necessarily towards the water's edge. The hunt club is stating that the line needs to be marked every 300 feet and it may just be marking a tree with blue tape or something of that nature. He stated from the hunt club's perspective, this item is deferred until they are ready to come back and say here's our path by which our professional nature is going to go through and mark the line, or not, it's their choice, it's not our initiative.

Mr. Haltom asked who was going to enforce it if they do mark the 160' line, and Dr. Casey stated it would be the VDGIF. He further stated we told them if they are going to move forward, they needed to talk to VDGIF as well.

Mr. Smith asked Mr. Anderson to express the specific language of the older deeds regarding that specific hunting provision. Mr. Anderson stated when the land was assembled back in the late 1960's, a large number of the deeds granted the holder of the residual property (above the 160' level), the right to access shore lands between the edge of the water and the 160' contour for recreational purposes. He further stated that right not only runs to the owner of the land, if land is subdivided then it goes to everyone that is part of the subdivision. He stated it also allows permittees, and anyone you want to allow to walk through your land, to go on to the shore lands to hunt, fish, build a fire, and whatever. He further stated that is why on the majority of the property that the Authority could not impose a "no hunting" and "no open fires" policy at this time on all property around the Lake.

Mr. Smith stated this item has been deferred for further discussion to a future meeting, possibly the Board meeting in January 2020.

- **Citizen Request for a Winter Maintenance Reservoir Drawdown**

Dr. Wichser reported on a memo from a citizen who requested the Board consider a winter maintenance reservoir drawdown of three and one-half feet. Mr. Gordon reported on the impact it would have on the reservoir if we dropped it three and one-half feet. Dr. Wichser suggested moving onto the next Agenda item and come back to this.

- **Presentation by HydroLogics/Hazen on 2019 Chesdin Reservoir Modeling Results**

Dr. Wichser introduced Mr. Steve Nebiker of Hazen & Sawyer Engineers, who gave a presentation on the 2019 Chesdin Reservoir Modeling Results.

Dr. Wichser referred to the previous item concerning the memo from a citizen and the drawdown of the reservoir three and one-half feet. He stated Staff's recommendation is that we do not drawdown the reservoir, and have the citizens plan ahead by making corrections to their docks and boat houses, etc.

Mr. Smith stated he was in agreement as well to not do the drawdown.

- **Annual Financial Report Year Ended June 2019: Robinson, Farmer, Cox Associates**

Ms. Wilkins introduced Benjamin Packett of Robinson, Farmer & Cox Associates who provided a presentation on ARWA's Annual Financial Accounting Audit. Mr. Packett stated ARWA received a clean compliance report from VRS, which has been submitted to the Auditor of Public Accountants.

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

RESOLVED, that the financial statements are hereby approved as presented:

For: 5 Against: 0 Abstain: 0

- **Award of In-Plant Phase 2 Improvement Projects**

Dr. Wichser reported on the In-Plant Phase 2 Improvements.

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

RESOLVED, that the Board approves the “In-Plant” Phase 2 Improvement Project construction contract be awarded to MEB General Contractors, Inc., for \$1,389,600 with a five percent (\$76,265) contingency for this work, to be used only if the Executive Director considers it necessary and authorizes in writing any increase from the original amount. Additionally, it is further approved for Staff to use the \$25,000 “In-Plant” Phase 2 project funds towards construction inspection by Hazen & Sawyer Engineers:

For: 5 Against: 0 Abstain: 0

- **Update on Refunding Series 2010 VRA Loan**

Mr. Anderson reported on the Refunding Series. He stated the gross savings from doing this refunding would be \$711,115. He further stated this money was saved by the issuance of taxable bonds. Mr. Anderson stated that he would be speaking with Ms. Wilkins on the fact that there would be an additional savings to the Authority of \$55,000 that will occur around April 1, 2020. He further stated the closing on this issue is next Wednesday and he had documents for officers to sign.

- **Proposed 2020 Board Meeting Dates**

Dr. Wichser presented the proposed schedule for 2020 Board of Directors meetings.

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

RESOLVED, that the Board approves the proposed schedule of regular meetings dates for 2020 as presented:

For: 4 Against: 0 Abstain: 0

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

Mr. Gordon reported on Ongoing Projects/Operational/Financial.

5. **Items from Counsel**

There were no items from Counsel.

6. **Closed Session/Discussion of New Executive Director 2.2-3711.A.1**

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

Upon a motion made by Mr. Haltom and seconded by Dr. Casey the Board went into Closed Session at 3:18 p.m.

For: 5 Against: 0 Abstain: 0

Upon a motion made by Mr. Massengill and seconded by Mr. Haltom the Board came out of Closed Session at 3:37 p.m.

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

For: 5 Against: 0 Abstain: 0

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

Mr. Smith thanked Ms. Mary Martin-Selby, Chesterfield County Human Resources' Staff and Mr. Anderson for all their hard work for the recruitment of the new Executive Director. He further stated the Board has come to the point to consider the approval of the new Executive Director, and the candidate selected by the Board is Mr. Robert B. Wilson. Mr. Smith read the following:

I move to appoint Mr. Robert B. Wilson, P.E., as Executive Director of the Appomattox River Water Authority and the South Central Wastewater Authority in accordance with the terms of the Employment Agreement presented to this meeting. This appointment will be effective January 1, 2020. The Chairman is authorized to execute and deliver the Employment Agreement on the Authority's behalf.

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

RESOLVED, that the Board hereby appoints Mr. Robert B. Wilson, P.E., as Executive Director of the Appomattox River Water Authority and the South Central Wastewater Authority in accordance with the terms of the Employment Agreement presented to this meeting. This appointment will be effective January 1, 2020. The Chairman is authorized to execute and deliver the Employment Agreement on the Authority's behalf:

For: 5 Against: 0 Abstain: 0

Mr. Smith congratulated Dr. Wichser on his retirement and stated there is a planned retirement holiday luncheon event for Dr. Wichser. He further stated the Board would be notified on when and where this event occurs.

8. Adjourn

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

Upon a motion made by Mr. Haltom and seconded by Mr. Massengill the meeting was adjourned at 3:43 p.m.

MINUTES APPROVED BY:

George Hayes
Secretary/Treasurer

CLOSED MEETING RESOLUTION

APPOMATTOX RIVER WATER AUTHORITY

November 14, 2019

I move that we go into a closed meeting for discussion and consideration of the appointment and salary of a prospective candidate for employment as the new Executive Director for the Appomattox River Water Authority as permitted by Section 2.2-3711A.1. of the Virginia Freedom of Information Act:

MOTION: Haltom

SECOND: Casey

VOTE

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

ABSENT DURING VOTE: None.

ABSENT DURING CLOSED MEETING: None.

SESSION DATE: November 14, 2019

CERTIFICATION OF CLOSED MEETING

WHEREAS, the Board of the Appomattox River Water Authority (the "Authority") convened a closed meeting on November 14, 2019, pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3712 of the Code of Virginia requires a certification by this Board that such closed meeting was conducted in conformity with Virginia law;

NOW THEREFORE, BE IT RESOLVED that the Board of the Authority hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by the Virginia Freedom of Information Act were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Board.

MOTION: Haltom

SECOND: Casey

VOTE

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

ABSENT DURING VOTE: None.

ABSENT DURING CLOSED MEETING: None.

RESOLUTION

WHEREAS, in December 2019, Robert Wichser, Ph.D., P.E., BCEE will retire from his position as the Executive Director of the Appomattox River Water Authority and the South Central Wastewater Authority, and;

WHEREAS, Dr. Wichser has served as the Executive Director of the Authorities for over 7 years, and;

WHEREAS, Dr. Wichser has led the Authorities in the successful implementation of numerous capital improvements and in the provision of critically important services to the member jurisdictions; and,

WHEREAS, Dr. Wichser's dedication to the fields of Water Resource Management and Wastewater Treatment is clearly evident, and;

WHEREAS, the Authorities are in a better position today due to Dr. Wichser's leadership throughout the years; and,

WHEREAS, the Boards wish to recognize Dr. Wichser for his years of service and his dedication to both Authorities.

THEREFORE, BE IT RESOLVED, that the Board of the Appomattox River Water Authority and the Board of the South Central Wastewater Authority, each by unanimous vote this 14th day of November, 2019, hereby recognize and commend Dr. Wichser on his service and wish him well in his future endeavors.

BE IT FURTHER RESOLVED that a copy of this RESOLUTION be incorporated into the Minutes of the Boards of the Appomattox River Water Authority and the South Central Wastewater Authority and a copy be presented to him.

*Appomattox River
Water Authority
Board*

*Douglas E. Smith
W. Kevin Massengill
Percy C. Ashcraft
Dr. Joseph P. Casey
Aretha R. Ferrell-Benavides*

*South Central
Wastewater Authority
Board*

*Douglas E. Smith
Aretha R. Ferrell-Benavides
Percy C. Ashcraft
Dr. Joseph P. Casey
Robert B. Wilson, P.E.*

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:

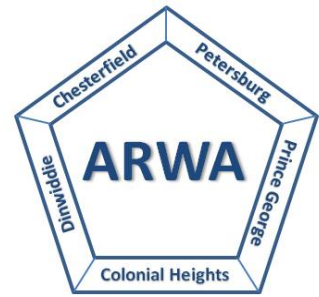
- Wait at your seat until recognized by the Chairman;
- Come forward and state your full name and address. If speaking for a group, state your organizational affiliation;
- Address your comments to the Board as a whole;
- State your position clearly and succinctly and give facts and data to support your 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:

- **Current Reservoir Status**

- **Annual Flushing Notice**

Following is the Annual Flushing Notice the Authority intends to post on its website and release to the media.



FOR IMMEDIATE RELEASE
February 28, 2020

For more information contact:
Robert Wilson, Executive Director
(804) 590-1145

ARWA Announces 2020 Schedule for Annual Water Transmission System Flushing Program

The Appomattox River Water Authority (ARWA) announced its schedule today for its annual water main line flushing program during the fourth week of March.

For over the past twenty-four years, ARWA has annually flushed out its wholesale water transmission lines to remove any settled material (sediment, sand, etc.). Flushing of the system is a routine maintenance effort that helps assure appropriate water quality and availability to all ARWA customers. This process is completed by ARWA staff each year, generally in March.

The current schedule this year calls for the water main transmission line flushing to occur from March 24th to March 27th. If inclement weather occurs, the flushing will be pushed back to the week of March 30th.

While it is possible for this maintenance process to create some discoloration of water in isolated situations, it will have no adverse effect on the quality or safety of drinking water.

ARWA customers with questions or concerns about the waterline flushing program are encouraged to call ARWA at 590-1145 or contact their local water service provider directly.

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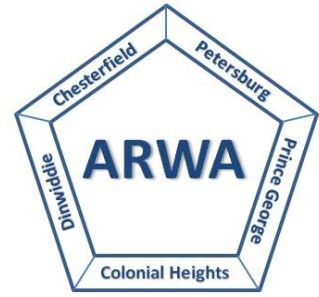
About ARWA

The Appomattox River Water Authority (ARWA) provides safe, reliable, clean water to customers in Chesterfield, Dinwiddie and Prince George Counties, and the Cities of Colonial Heights and Petersburg, Virginia, from facilities located next to Brasfield Dam, at the Chesdin Reservoir. For more information about ARWA, please visit <http://arwava.org/>

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

Following is a memo and presentation of the Proposed FY2020/21 Operating Budget

Appomattox River Water Authority



21300 Chesdin Rd. - Petersburg, VA 23803 - Phone (804) 590-1145 - Fax (804) 590-9285

MEMORANDUM

**TO: APPOMATTOX RIVER WATER AUTHORITY
BOARD OF DIRECTORS**

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

SUBJECT: FISCAL YEAR 2020-21 PROPOSED BUDGET

DATE: JANUARY 16, 2020

We are pleased to present to you the Appomattox River Water Authority fiscal year 2020-2021 proposed budget for your review and consideration. The total expenses for the Proposed FY2020-21 Appomattox River Water Authority Budget are \$10,948,786. The Board is not requested to approve the proposed budget at today's meeting; however, we request that you review and advise staff to ready the proposed budget to advertise for a public hearing at the March 12, 2020 Board Meeting by the required 14-day period in advance of the scheduled public hearing. Any Board requested changes to the proposed budget can be made on or before the May 14, 2020 Board Meeting where we will request approval of the budget.

A review of the proposed budget changes follows for your consideration.

Cost items increasing are:

- Salary: \$160,000 – due to an average pay for performance increase of 2.6% (\$45,000) and the addition of 2 new maintenance position (Maintenance Manager and Mechanic).
- Employee Benefits: \$69,500 – Increase is primarily due to Hospitalization Insurance (\$40,000) with the addition of 2 new maintenance positions.
- Materials and Supplies: \$31,000 – Repairs and Maintenance-IT increased \$60,000 due to the transfer of Electrical responsibilities from Repairs and Maintenance-Shop (which decreased \$60,000). There are several line items that have minor budget increases the main ones are Purification Process and Janitorial Supplies (\$13,000), Vehicle and Equipment Supplies (\$7,000), Vehicle and Equipment Fuels (\$5,000), and Operation Supplies and Maintenance (\$5,000)
- Other Charges: \$4,100 – increase is primarily due to electricity.
- Equipment Replacement: \$694,500 – The increase is related to the purchase of long lead time spares; Motors for Raw and Finished pumps stations (\$200,000) and a Lightning Mixer for Rapid Mix (\$175,000). Also included are projects for upgrading the SCADA system (\$250,000) and Security infrastructure improvements as outlined in the FY 2019-20 American Water Infrastructure Act assessment (\$500,000).

Cost items reducing are:

- Contractual Services: \$16,500 – Some areas of this budget are increasing but due to decreases in Reservoir Management – Invasive Control Program (\$100,000), Legal Services (\$75,000), Other Consulting Services (\$10,000), and Samples and Testing (\$8,500) the budget over all is decreasing.

Debt Service:

- 2012 & 2017 *bond debt service will be covered from the base rate* in FY 2020/21.
- 2019 bond debt (2010 Refunded) will be split between the base rate (54.38%) and the expansion rate (45.62%).
- FY 2020/21 Bond payments are set at \$1,639,436.
- The bond splits were validated with the 2019 Chesterfield Audit.

Reserve Fund:

FY 2020/21 *reserve contributions will be covered from the base rate*. The total to be funded is \$124,050 which is a \$64,700 decrease from FY 2019/20 funding.

Salaries & Wages:

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

As part of staff's annual performance evaluation, each employee will be reviewed and rated in May 2020 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 scoring employees eligible for up to 3%. Non-performing employees will receive less than 2% with certain employees with a lower score being placed into a required performance improvement probation period.

Replacement Fund

The Replacement Fund is being increased from \$768,000 to \$1,462,500 (increase of \$694,500). The following additions and/or adjustments have been made:

- \$15,000 to continuing the replace of old filter flow meters.
- \$200,000 to purchase spare pump motors for Raw and Finished Water pumps not upgraded in the In-Plant Project
- \$175,000 for a spare Lightning Rapid Mixer for the alum and lime feed mixer
- \$15,000 to install HMI (Human-Machine Interface) screens on Raw and Chlorine PLCs
- \$25,000 for a replacement laboratory Atomic Absorption Analyzer
- \$12,500 to upgrade the SANs (Storage Area Network) array.
- \$40,000 to replace one vehicle
- \$100,000 to replace critical valves
- \$500,000 to address security Infrastructure upgrade as outlined in the 2019 assessment for the American Water Infrastructure Act

Construction Fund

The Construction Fund (Capital Projects) supports the implementation of the May 2016 Board approved “In-Plant” project (Upgrades to: Finished Water Pump Station No. 1, Raw Water Pump Station No. 1, Raw and Finished Water Pump Station electrical upgrades, and a new Emergency Generator). Additional project included in Phase II of the “In Plant” project include a cover over the Chlorine Dioxide Tank Farm, rerouting the electrical feed to the Pre-Chemical side of the plant so it does not go through the “tunnel”, and adding two new tanks for Sodium Hypochlorite storage. Phase II projects are schedule to begin and be completed by December 2020.

Rate Consideration:

The table below illustrates the proposed FY2020/21 rates:

ARWA Member	FY2019/20	Proposed FY2020/21	Proposed % Rate Diff / \$ Diff
Chesterfield	0.9797	1.0294	5.07% / \$435,010
Colonial Heights	1.0083	1.0566	4.79% / \$17,771
Dinwiddie	1.4522	1.4755	1.60% / \$577
Petersburg	0.9760	1.0260	5.12% / \$115,690
Prince George	1.3698	1.3837	1.02% / \$11,789

BOARD ACTION REQUESTED:

Board approval to advertise the 2020-2021 proposed budget is requested. The public hearing on the proposed budget will be at the March 12, 2020 Board of Directors meeting held at SCWWA. Final Board consideration on the budget is scheduled for the May 14, 2020 Board of Directors meeting held at ARWA. Any budget changes or edits required or requested by the Board can be taken before or during the May Board of Directors meeting.

APPOMATTOX RIVER WATER AUTHORITY

Proposed: January 16, 2020

Approved:

PROPOSED OPERATION & MAINTENANCE BUDGET 2020/2021

			Change	
	<u>2019/2020</u> Budget	<u>2020/2021</u> Budget	Increase/ (Decrease) FY19/20 to FY20/21	Reason for Changes
<u>O&M EXPENSES</u>				
41000 · Salary	\$1,700,000	\$1,860,000	\$160,000	<i>Includes an average pay for performance increase of 2.6% and salaries for a new mechanic and maintenance manager. The maintenance manager will be a shared 50/50 employee with the SCWWA</i>
42000 · Employee Benefits	\$747,600	\$817,100	\$69,500	<i>Increase primarily due to FICA and VRS due to salary budget increase and estimated increase in Hospitalization Insurance.</i>
42100 · Employer FICA	\$125,000	\$141,000		
42200 · Virginia Retirement System	\$97,500	\$107,000		
42210 · Deferred Comp 457	\$6,300	\$7,500		
42300 · Hospitalization Insurance	\$490,000	\$530,000		
42400 · VRS Group Life Insurance	\$21,300	\$22,000		
42500 · Group Term Life	\$2,000	\$2,100		
42600 · Unemployment Insurance	\$0	\$2,000		
42800 · Employee Promotions	\$3,500	\$3,500		
42900 · Other Fringe Benefits - EAP	\$2,000	\$2,000		
42950 · OPEB Health Insurance Adj	\$0	\$0		
42952 · Net Pension Adjustment				
43000 · Contractual Services	\$1,204,500	\$1,188,000	-\$16,500	<i>Reclassified concrete repair from replacement budget to Service Contracts</i>
43121 · Auditing Services	\$8,000	\$8,000		
43122 · Accounting Services	\$14,000	\$16,000		
43130 · Legal/Engineering and Reservoir Studies	\$100,000	\$100,000		
43140 · Consulting Engineers	\$75,000	\$85,000		
43150 · Legal Services	\$100,000	\$75,000		
43152 · Medical - Testing	\$7,500	\$2,500		
43155 · Other Consulting Services	\$25,000	\$15,000		
43156 · Admin and Maintenance Svc-SCWWA	-\$37,000	\$0		
43160 · Trustee Services	\$9,500	\$9,500		
43162 · Bank Service Charges	\$2,500	\$2,500		
43170 · Research	\$17,500	\$17,500		
43180 · Potable Water Contract	\$500,000	\$510,000		
43190 · Samples and Tests	\$48,500	\$40,000		
43200 · Lake Patrol	\$4,000	\$4,000		

APPOMATTOX RIVER WATER AUTHORITY

Proposed: January 16, 2020

Approved:

PROPOSED OPERATION & MAINTENANCE BUDGET 2020/2021

			Change	
			Increase/ (Decrease) FY19/20 to FY20/21	Reason for Changes
	<u>2019/2020</u> Budget	<u>2020/2021</u> Budget		
43201 · Reservoir Management - Invasive Control Program	\$150,000	\$50,000		
43210 · Software Support	\$20,000	\$40,000		
43220 · VPDES Permit Fee	\$10,000	\$30,000		
43310 · Repair Services	\$40,000	\$25,000		
43320 · Service Contracts	\$75,000	\$125,000		
43500 · Printing and Binding	\$0	\$3,000		
43600 · Grounds Maintenance	\$35,000	\$30,000		
45000 · Other Charges	\$1,051,600	\$1,055,700	\$4,100	
45110 · Electricity - Pumping	\$475,000	\$500,000		
45111 · Electricity - Purification	\$270,000	\$275,000		
45120 · Heating Fuel	\$100,000	\$65,000		
45130 · Trash Pickup	\$5,000	\$5,500		
45210 · Postal Services	\$2,200	\$1,200		
45220 · Freight	\$15,000	\$15,000		
45230 · Telecommunications	\$30,000	\$35,000		
45308 · General Liability Insurance	\$90,000	\$96,000		
45410 · Lease/Rent of Equipment	\$20,000	\$20,000		
45530 · Meals and Lodging	\$10,000	\$5,000		
45540 · Education and Training	\$16,400	\$20,000		
45550 · Safety Supplies	\$18,000	\$18,000		
46000 · Materials and Supplies	\$2,771,000	\$2,802,000	\$31,000	<i>Electrical responsibilities have been transferred from the shop to IT and the respective budgets reflect this change.</i>
46001 · Office Supplies	\$12,000	\$12,000		
46004 · Laboratory Supplies	\$74,000	\$75,000		
46005 · Purification Chemicals	\$2,300,000	\$2,300,000		
46006 · Purification Process and Janitorial Supplies	\$12,000	\$25,000		
46007 · Repair & Maint Supplies-Shop	\$175,000	\$115,000		
46008 · Vehicle and Equipment Fuels	\$20,000	\$25,000		
46009 · Vehicle and Equipment Supplies	\$13,000	\$20,000		
46010 · Equipment Parts and Small Equipment Purchases	\$60,000	\$55,000		
46011 · Uniforms	\$8,000	\$10,000		
46012 · Dues and Subscriptions	\$22,000	\$25,000		
46014 · Repair & Maint Supplies-IT	\$65,000	\$125,000		

APPOMATTOX RIVER WATER AUTHORITY

Proposed: January 16, 2020

Approved:

PROPOSED OPERATION & MAINTENANCE BUDGET 2020/2021

			Change	
			Increase/ (Decrease) FY19/20 to FY20/21	Reason for Changes
	<u>2019/2020</u> Budget	<u>2020/2021</u> Budget		
46015 · Small Equipment Purchases	\$0	\$0		
46016 · Operations Supplies and Maintenance	\$10,000	\$15,000		
Total Operating Expenses	\$7,474,700	\$7,722,800	\$248,100	
58000 · Equipment Replacement	\$768,000	\$1,462,500	\$694,500	
Debt - 2010 Issue	\$759,123	\$0	(\$759,123)	2010 Series refunded as 2019
Debt - 2012 Issue	\$301,936	\$301,636	(\$300)	
Debt - 2017 Issue	\$1,080,116	\$1,080,517	\$401	
Debt - 2019 Issue (2010 Refunded)		\$257,283	\$257,283	Refunded 2010 series bond.
Total Debt	\$2,141,175	\$1,639,436	(\$501,739)	Decrease due to 2019 primarily interest payment this FY
Reserve Fund	\$188,750	\$124,050	(\$64,700)	
Total Expenses	\$10,572,625	\$10,948,786	\$376,161	

APPOMATTOX RIVER WATER AUTHORITY
Replacement Fund Budget - 58000

		FY20/21		INFORMATIONAL & PLANNING						
Acct#	Proposed FY ITEM	Current Budget 19/20	Proposed Budget 20/21	21/22	22/23	23/24	24/25	Totals		
58010 - Machinery and Motors	Emergency/ Miscellaneous Repairs	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 600,000		
	Replace filter actuators and valves		\$ -	\$ 34,000	\$ 34,000	\$ -	\$ -	\$ 68,000		
	HVAC Replacement	\$ 15,000						\$ 15,000		
	Dual Polymer Feed System	\$ 30,000						\$ 30,000		
	Filter 1-16 flow meter upgrade	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000			\$ 60,000		
	Spare RW and FW motors		\$ 200,000					\$ 200,000		
	Lightning Rapix Mix - Spare		\$ 175,000					\$ 175,000		
	Interior/Exterior Actuator Replacement	\$ 15,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000		\$ 135,000		
58020 - Instrumentation	Verizon RTU modem mandatory upgrade	\$ 30,000						\$ 30,000		
	YSI ProDSS Meter and Sonde	\$ 10,000						\$ 10,000		
	Chesdin East PLC Swap Out	\$ 12,000						\$ 12,000		
	Replace Sedimentation Basin sludge PLCs			\$ 90,000	\$ 90,000			\$ 180,000		
	PLC HMI @ Raw Water and Chlorine		\$ 15,000					\$ 15,000		
	Replacement AA		\$ 25,000					\$ 25,000		
58030 - SCADA	IFIX Upgrade		\$ 250,000					\$ 250,000		
58040 - Computer Equipment	>\$5,000 per items (server)	\$ 10,000	\$ 12,500	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 62,500		
58050 - Furniture and Fixtures	Upgrade Facility Lighting	\$ 6,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,000		
58060 - Motor Vehicles	2003 Maintenance Supervisors 4x4	\$ 35,000						\$ 35,000		
	2005 Lab Ford Explorer	\$ 35,000						\$ 35,000		
	Fleet 4dr 4x4 (Replace 1998 GMC)	\$ 35,000						\$ 35,000		
	Fork Lift - small telescopic	\$ 45,000						\$ 45,000		
	4dr 4x4 Pick Up		\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 200,000		
	Telescopic forklift	\$ 85,000						\$ 85,000		
	Tractor 50 hp			\$ 75,000				\$ 75,000		

58070 - Special Studies (Moved to O&M)	Groundwater Quality Monitoring Plan			\$ -					
	Legal/Engineering analysis and studies	\$ -		\$ -					
58090 - Construction	Valve Replacement	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 600,000	
	PG Meter Vault Upgrade (16")	\$ 30,000		\$ 30,000					
	General Concrete Repairs	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,000	
	Install Bollards and Security Fences at Remote Sites	\$ 10,000		\$ 10,000					
	Matoaca Meter and Meter Box	\$ 125,000		\$ 125,000					
	Security Infrastructure Upgrades (Federal Water Infrastructure Act study recommendations)		\$ 500,000	\$ 500,000					
	Replace Cone Valve			\$ 500,000					
	Replacement of Single pane windows			\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 400,000	
	TOTALS:		\$ 768,000	\$ 1,462,500	\$ 519,000	\$ 594,000	\$ 380,000	\$ 850,000	\$ 4,573,500

Construction Fund (Capital Projects)
FY20/21

ITEM	Budget	Proposed Budget	INFORMATIONAL & PLANNING								Totals	>10 years
	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29		
Finished Water Pump Stations No. 1 Upgrade - see note 2	\$ 3,886,983										\$ 3,886,983	
Raw Water Pump Station No. 1 Upgrade - see note 2	\$ 2,321,263										\$ 2,321,263	
Clearwell #4											\$ -	\$ 8,750,000
PAC Feed System					\$ 2,500,000						\$ 2,500,000	
Rebuild Filters 1-8					\$ 5,500,000							
Lagoon Liners					\$ 5,500,000							
Transmission Main - Chesdin Rd. to Pickett Rd											\$ -	\$ 10,369,000.00
Transmission Main - Pickett Ave. to Matoaca Tank											\$ -	\$ 10,369,000.00
Transmission Main - Matoaca Tank to Branders Bridge											\$ -	\$ 11,946,000.00
Transmission Main - Branders Bridge to Lakeview											\$ -	\$ 3,526,000.00
Totals	\$ 6,208,245	\$ -	\$ -	\$ -	\$ 13,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,708,245	

- 1) The above items for information only. Approval required from BOD at time of project award.
- 2) Bond Funding will be required for these Proposed Capital Project.
- 3) The PAC feed system and Lagoon lining would be regulatory driven

Revenues

Appomattox River Water Authority

FY Budget Year

2020/2021

Proposed

Jan. 16, 2020

Adopted

Revised

		<u>Chesterfield</u>	<u>Colonial Heights</u>	<u>Dinwiddie</u>	<u>Petersburg</u>	<u>Prince George</u>	<u>Total</u>
1) Operations and Maintenance Base Rate							
O&M Rate							
	<u>\$/1000 gallons</u>	<u>\$ 1.0260</u>	<u>\$ 1.0260</u>	<u>\$ 1.0260</u>	<u>\$ 1.0260</u>	<u>\$ 1.0260</u>	<u>\$ 1.0260</u>
Estimated (\$/quarter)	\$	1,921,172	\$ 155,471.20	\$ 105,824	\$ 451,402	\$ 66,485	\$ 2,700,353.37
Total annual allocation	\$	7,684,686	\$ 621,885	\$ 423,295	\$ 1,805,609	\$ 265,939	\$ 10,801,413
% of flows		71.15%	5.76%	3.92%	16.72%	2.46%	100.00%
Estimated (mgd)		20.521	1.661	1.130	4.822	0.710	28.843
Calc. annual usage (bg)		7.490	0.606	0.413	1.760	0.259	10.528
O&M =	\$	7,722,800	Replacement \$ 1,462,500	54.38% 2019 Debt (maintenance)	\$	139,910	
Int./Misc. Income	\$	30,000	100% 2012 Debt \$ 301,636	100% 2017 Debt \$ 1,080,517	Reserve Funding		\$124,050
BASE RATE	<u>\$/1000gals</u>	<u>\$ 1.0260</u>	<u>\$ 1.0260</u>	<u>\$ 1.0260</u>	<u>\$ 1.0260</u>	<u>\$ 1.0260</u>	
2) Expansion Rate							
Bonds	% Financed						
Rate (cents/1000 gals)		\$ 0.0034	\$ 0.0306	\$ 0.4495	\$ -	\$ 0.3577	
2019 expansion (\$/year)	45.62%	\$ 25,345	\$ 18,550	\$ 185,436	\$ -	\$ 92,718	\$ 322,050
% allocation		7.87%	5.76%	57.58%	0.00%	28.79%	100.00%
FY20/21 Bond Payments	2019 refunding = \$ 257,283						
	2019 refunding for FY2022 =		\$ 705,940				
TOTAL DEBT SERVICE RATE	<u>\$/1000 gals</u>	<u>\$ 0.0034</u>	<u>\$ 0.0306</u>	<u>\$ 0.4495</u>	<u>\$ -</u>	<u>\$ 0.3577</u>	
	<u>\$/year</u>	<u>\$ 25,345</u>	<u>\$ 18,550</u>	<u>\$ 185,436</u>	<u>\$ -</u>	<u>\$ 92,718</u>	<u>\$ 322,050</u>
3) Total Rate							
TOTAL RATE (BASE + EXPANSION)	<u>\$/1000gals</u>	<u>\$ 1.0294</u>	<u>1.0566</u>	<u>1.4755</u>	<u>1.0260</u>	<u>1.3837</u>	<u>\$ 1.1942</u>
Estimated annual charges	<u>\$/year</u>	<u>\$ 7,710,032</u>	<u>\$ 640,435</u>	<u>\$ 608,731</u>	<u>\$ 1,805,609</u>	<u>\$ 358,657</u>	<u>\$ 11,123,463</u>
4) Budget Comparison (see note 1)							
Proposed FY20/21 Total Rate	<u>\$/1000 gals</u>	<u>\$ 1.0294</u>	<u>\$ 1.0566</u>	<u>\$ 1.4755</u>	<u>\$ 1.0260</u>	<u>\$ 1.3837</u>	<u>\$ 1.1942</u>
Approved FY 19/20 Total Rate	<u>\$/1000 gals</u>	<u>\$ 0.9797</u>	<u>\$ 1.0083</u>	<u>\$ 1.4522</u>	<u>\$ 0.9760</u>	<u>\$ 1.3698</u>	<u>\$ 1.1572</u>
Total Rate Difference	<u>\$/1000 gals</u>	<u>0.0497</u>	<u>0.0483</u>	<u>0.0233</u>	<u>0.0500</u>	<u>0.0139</u>	<u>0.0370</u>
Total Rate Difference	<u>%</u>	<u>5.07%</u>	<u>4.79%</u>	<u>1.60%</u>	<u>5.12%</u>	<u>1.02%</u>	<u>3.20%</u>
Proposed FY20/21 Revenues	<u>\$/year</u>	<u>\$ 7,710,032</u>	<u>\$ 640,435</u>	<u>\$ 608,731</u>	<u>\$ 1,805,609</u>	<u>\$ 358,657</u>	<u>\$ 11,123,463</u>
Total FY19/20 Approved Budget	<u>\$/year</u>	<u>\$ 7,275,021</u>	<u>\$ 622,663</u>	<u>\$ 608,154</u>	<u>\$ 1,689,919</u>	<u>\$ 346,867</u>	<u>\$ 10,542,625</u>
Annual Cash Difference	<u>\$/year</u>	<u>\$ 435,010</u>	<u>\$ 17,771</u>	<u>\$ 577</u>	<u>\$ 115,690</u>	<u>\$ 11,789</u>	<u>\$ 580,838</u>
Annual Revenue Difference	<u>%</u>	<u>5.98%</u>	<u>2.85%</u>	<u>0.09%</u>	<u>6.85%</u>	<u>3.40%</u>	<u>5.51%</u>
FY 20/21 Expenses	\$	10,948,786	FY 19/20 Income Revenue \$ 11,153,463	Actual 2019 Expansion Bond payment \$ 117,373.00			
			Adj FY19/20 Income Revenue \$ 10,948,786				

NOTES:

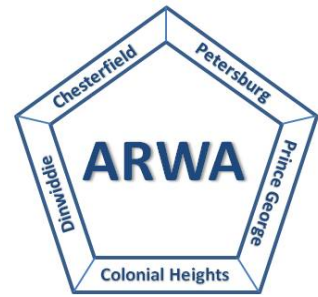
Reserve Policy:

Appomattox River Water Authority FY20/21

Reserve Fund Calculation

ARWA O&M Budget	Reserves as of 6/30/2019	Revenue for FY2019/2020	Total expected reserves on 6/30/2020	Recommended 50% O&M Reserves	Annual Charge to achieve 50% Reserves
\$7,722,800	\$3,548,600	\$188,750	\$3,737,350	\$3,861,400	\$124,050

Appomattox River Water Authority



21300 Chesdin Rd. - Petersburg, VA 23803 - Phone (804) 590-1145 - Fax (804) 590-9285

RESOLUTION

OF THE APPOMATTOX RIVER WATER AUTHORITY PROVIDING PRELIMINARY APPROVAL OF THE BUDGET FOR FISCAL YEAR 2021 AND THE RELATED WATER RATES

WHEREAS, in October, November and December of 2019 the staff of the Appomattox River Water Authority (the "Authority") developed the Authority's proposed budget and water rates for Fiscal Year 2021 and has at this meeting held on January 16, 2020, presented the proposed budget and water rates to the Authority Board; and

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

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

RATES (cents/1,000 gallons)

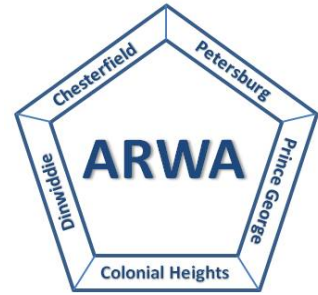
	FY2021
Chesterfield County	1.0294
City of Colonial Heights	1.0566
Dinwiddie County	1.4755
City of Petersburg	1.0260
Prince George County	1.3837

BE IT FURTHER RESOLVED that the Authority Board acknowledges that the above-stated water rates will be subject to change in accordance with the Authority's water service agreement in effect between the Authority and each of its five member jurisdictions, based on, among other things, the amount of water actually purchased by each member jurisdiction and the amounts of revenues received and expenses incurred by the Authority during Fiscal Year 2021.

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

Following are status reports concerning the Ongoing Projects, Operation, and Financials for the ARWA.

Appomattox River Water Authority



21300 Chesdin Rd. - S. Chesterfield, VA 23803 - Phone (804) 590-1145 - Fax (804) 590-9285

MEMORANDUM

TO: APPOMATTOX RIVER WATER AUTHORITY: BOARD OF DIRECTORS

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

SUBJECT: STATUS REPORT – ON-GOING PROJECTS

DATE: JANUARY 16, 2020

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

In-Plant Capital Projects:

Phase I

- All Finished Water Pumps have been installed and are operational.
- Raw water Pump P4 is experiencing vibration. Awaiting new sole plates for Raw Water pumps. Currently scheduled for delivery 1.13.20.
- Domestic pumps in FWPS1 are scheduled for startup 1.8.20

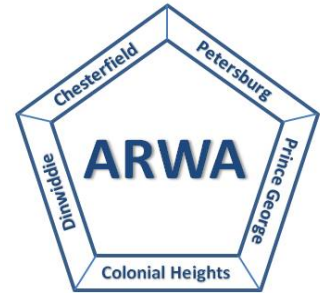
Phase II

- Contract awarded to MEB. Construction is scheduled to start in February, 2020.

Annual Maintenance Inspection

- The Annual Maintenance Inspection Report was completed and delivered to ARWA staff December 2019.

Appomattox River Water Authority



21300 Chesdin Rd. - S. Chesterfield, VA 23803 - Phone (804) 590-1145 - Fax (804) 590-9285

MEMORANDUM

TO: APPOMATTOX RIVER WATER AUTHORITY BOARD OF DIRECTORS

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

SUBJECT: OPERATING AND FINANCIAL STATUS REPORT

DATE: JANUARY 16, 2020

Operating Status Report

General:

- The next scheduled Board of Directors Meeting is **Thursday March 12, 2020** at the South Central Wastewater Authority at 2:00 pm.
- Whitman, Reuerdt, and Associates has completed the risk and resilience assessment and the Emergency Action Plan update. Final cost estimates for recommended security improvements are expected the end of January 2020.
- Staff will be working with Golder to schedule a public meeting regarding the results of the Hydrilla survey and the development of the Hydrilla Management Plan.
- Kruger Energy had a survey of the dam performed and arranged for divers to perform the inspections of the face and toe of the dam. This work was requested as part of their FERC license and information will be shared with the ARWA.
- Annual chemical bids were opened January 9, 2020 and are being evaluated

Operations:

- Finished water met all permit requirements for November and December 2019. Copies of the VDH monitoring reports are available if anyone would like to see them.
- The average daily finished water consumption for November was 23.7 mgd and for December was 23.9 mgd.
- Staff continues to work with the In-Plant contractors to perform testing on the newly installed pumps.

Maintenance:

- Working with IT to install new Mag Flow meters on the effluent lines of filters 1-4.
- In the process of rebuilding the cone valve. Mechanical and hydraulic systems are being replaced.
- Obtaining diver quotes for repairs to the sluice gate for the cone valve.

Instrumentation/IT:

- Upgraded the PLC at Chesdin East on January 9th
- Wiring in new Mag Flow meters for Filters 1-4.
- Pulling new communication and power feeds for meter 3.

Laboratory:

- Whole Effluent Toxicity samples from the ARWA discharge lagoons showed no toxicity.
- The new upgradient well for groundwater background monitoring was installed and the first set of samples were taken. The approved groundwater monitoring plan provided for 2 years of data collection prior to reevaluation of the lagoons.

Financial Status Report:

Following is the Balance Sheet and Income Statement as of December 31, 2019.

Appomattox River Water Authority-Balance Sheet
For Month Ending December 31, 2019

Assets

Current Assets

Petty Cash	\$	400
SunTrust Operating Fund	\$	3,193,700
SunTrust Replacement Fund	\$	119,537
Total Unrestricted Cash	\$	3,313,637
Water Revenue	\$	3,607,084
Reserve Account	\$	3,866,321
Replacement Account	\$	598,191
Debt Service Reserve	\$	2,144,750
Bond Principal/Interest	\$	548,894
Bond Construction	\$	3,808,736
Total Restricted Cash	\$	14,573,976
Total Checking/Savings	\$	17,887,613
Accounts Receivable	\$	2,654,306
Other Current Assets	\$	26,701
Inventory	\$	264,923

Total Current Assets **\$ 20,833,543**

Fixed Assets

Land and Land Rights	\$	1,044,167
Water System	\$	85,562,249
Equipment	\$	1,238,359
Hydro	\$	34,873
Construction in Progress	\$	8,046,304
Accumulated Amortization	\$	(34,873)
Accumulated Depreciation	\$	(49,293,811)
Total Fixed Assets	\$	46,597,267

Other Assets

Def Out Res-Post ER Pension Costs	\$	63,920
Deferred Outflow-OPEB GLI	\$	14,106
Def Out Res-Net Dif Pension Inv	\$	-
Total Other Assets	\$	78,026

Total Assets **\$ 67,508,836**

Liabilities & Equity

Current Liabilities

Accounts Payable	\$	428,100
Retainage Payable	\$	261,600
Accrued Interest Payable	\$	187,257
Total Current Liabilities	\$	876,957

Long Term Liabilities

Def Inf Res-Net Dif Pension Inv	\$	90,011
Def Inf Res-Pen Chg Assumptions	\$	83,159
Def Inf Res-Pens Dif Proj/Act E	\$	51,052
Net Pension Liability	\$	(279,290)
Def Infl-OPEB Chg of Assumptions	\$	2,956
Deferred Inflow-OPEB GLI	\$	13,000
Deferred Inflow-Expect & Actual	\$	23,971
Bonds Payable-2010	\$	6,990,032
Bonds Payable-2012	\$	2,372,000
Bonds Payable-2017	\$	11,981,000
Accrued Leave Payable	\$	180,705
Post Employment Benefit	\$	77,443
OPEB Liability-GLI	\$	118,000
Total Long-Term Liabilities	\$	21,704,039

Total Liabilities **\$ 22,580,995**

Equity

Retained Earnings	\$	(1,961,714)
Reserve for Operations	\$	3,461,292
Reserve for Water Revenue	\$	5,870,467
Reserve for Replacements	\$	500,000
Reserve for Bond Interest	\$	187,257
Reserve for Debt Service	\$	2,141,174
Reserve for Bond Principal	\$	1,416,000
Reserve for Reserve	\$	3,138,533
Fixed Assets, Net of Debt	\$	30,127,850

Total Equity **\$ 44,927,841**

Total Liabilities & Equity **\$ 67,508,836**

\$ -

Appomattox River Water Authority
YTD Income Statement for the period ending December 31, 2019

Water Rate Center

Revenues and Expenses Summary

<i>Budget</i>	<i>Budget</i>	<i>Actual</i>	<i>YTD Budget</i>	<i>Variance</i>
<i>FY 19/20</i>	<i>Year-to-Date</i>	<i>Year-to-Date</i>	<i>vs. Actual</i>	<i>Percentage</i>

Operating Budget vs. Actual

Revenues

Water Sales	\$ 10,542,625	\$ 5,271,313	\$ 6,205,513	\$ 934,200	17.72%
Misc. Revenue	\$ 30,000	\$ 15,000	\$ 15,981	\$ 981	6.54%
Total Operating Revenues	\$ 10,572,625	\$ 5,286,313	\$ 6,221,493	\$ 935,181	17.69%

Expenses

Personnel Cost	\$ 2,447,600	\$ 1,223,800	\$ 1,204,703	\$ (19,096)	-1.56%
Contractual/Professional Services	\$ 1,204,500	\$ 609,250	\$ 501,428	\$ (107,822)	-17.70%
Utilities	\$ 850,000	\$ 425,000	\$ 415,312	\$ (9,688)	-2.28%
Communication/Postal/Freight	\$ 47,200	\$ 23,600	\$ 21,248	\$ (2,352)	-9.97%
Office/Lab/Purification Supplies	\$ 98,000	\$ 49,000	\$ 55,223	\$ 6,223	12.70%
Insurance	\$ 90,000	\$ 90,000	\$ 93,573	\$ 3,573	3.97%
Lease/Rental Equipment	\$ 20,000	\$ 10,000	\$ 8,997	\$ (1,003)	-10.03%
Travel/Training/Dues	\$ 48,400	\$ 24,200	\$ 15,584	\$ (8,616)	-35.60%
Safety/Uniforms	\$ 26,000	\$ 13,000	\$ 17,341	\$ 4,341	33.39%
Chemicals	\$ 2,300,000	\$ 1,150,000	\$ 1,011,471	\$ (138,529)	-12.05%
Repair/Maintenance Parts & Supplies	\$ 343,000	\$ 171,500	\$ 184,392	\$ 12,892	7.52%
Total Operating Expenses	\$ 7,474,700	\$ 3,789,350	\$ 3,529,273	\$ (260,077)	-6.86%
Operating Results Suplus/(Deficit)	\$ 3,097,925	\$ 1,496,963	\$ 2,692,220	\$ 1,195,257	79.85%

Replacement Outlay Budget vs. Actual

Machinery & Motors	\$ 175,000	\$ 87,500	\$ 130,397	\$ 42,897	49.03%
Instrumentation	\$ 52,000	\$ 26,000	\$ 11,486	\$ (14,515)	-55.83%
SCADA	\$ -	\$ -	\$ 44,662	\$ 44,662	#DIV/0!
Computer Equipment	\$ 10,000	\$ 5,000	\$ -	\$ (5,000)	-100.00%
Furniture/Fixtures	\$ 6,000	\$ 3,000	\$ -	\$ (3,000)	-100.00%
Motor Vehicles	\$ 235,000	\$ 117,500	\$ 61,643	\$ (55,857)	-47.54%
Special Studies	\$ -	\$ -	\$ -	\$ -	#DIV/0!
Valve Replacement	\$ 100,000	\$ 50,000	\$ -	\$ (50,000)	-100.00%
Concrete	\$ 25,000	\$ 12,500	\$ -	\$ (12,500)	-100.00%
PG Vault Meter	\$ 30,000	\$ 15,000	\$ -	\$ (15,000)	-100.00%
Bollards and Security Fences	\$ 10,000	\$ 5,000	\$ -	\$ (5,000)	-100.00%
Matoaca Meter/Meter Box	\$ 125,000	\$ 62,500	\$ -	\$ (62,500)	-100.00%
Total Capital Outlay	\$ 768,000	\$ 384,000	\$ 248,188	\$ (135,812)	-35.37%

Construction Outlay Budget vs. Actual

In-Plant Capital Upgrade	\$ -	\$ -	\$ 1,816,316	\$ 1,816,316	#DIV/0!
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Debt Service Budget vs. Actual

Interest Income	\$ -	\$ -	\$ 167,552	\$ 167,552	#DIV/0!
Interest Jurisdictions (Income)	\$ -	\$ -	\$ -	\$ -	#DIV/0!
Interest Expense	\$ -	\$ -	\$ 374,514	\$ 374,514	#DIV/0!
Principal Payments	\$ 2,141,175	\$ 2,141,175	\$ 232,000	\$ (1,909,175)	-89.16%

Other Income/Other Expense

Alum Litigation Proceeds-Received YTD	\$ -	\$ -	\$ 651,104	\$ 651,104	#DIV/0!
Alum Litigation Proceeds-Credited to Members YTD	\$ -	\$ -	\$ 792,877	\$ 792,877	#DIV/0!

5. Items from Counsel

6. Closed Session

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

8. Adjourn