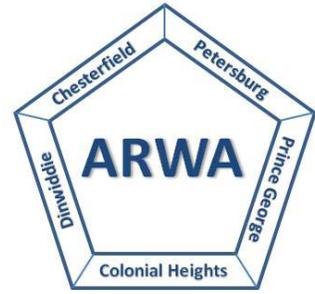


Appomattox  
River  
Water  
Authority



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

## Appomattox River Water Authority Board of Directors Meeting

**DATE:** March 16, 2017  
**TIME:** 2:00 PM  
**LOCATION:** South Central Wastewater Authority  
Board Room, Administration Building  
900 Magazine Road  
Petersburg, Virginia 23803

### AGENDA

1. Call to Order/Roll Call
2. Approval of Agenda (Section 3.6 of Bylaws)
3. Approval of Minutes: Minutes of the Regular Board Meeting on January 19, 2017
4. Public Comment and Public Hearing on Proposed FY 2017/2018 Budget
5. Closed Session pursuant to Section 2.2-3711(A)(3) of the Code of Virginia of 1950, as amended, for discussion and consideration of the acquisition of real property for a public purpose, or of the disposition of publicly-held real property, relating to the Authority's real property and the proposed Amended and Restated Water Service Agreement.
6. Executive Director's Report:
  - Reservoir Status Update for February/March 2017
  - Discussion of Financing Options for In-Plant Project—Davenport
  - Presentation of Proposed Amendment to 1964 Water Service Agreement
  - Brasfield Dam Raise Project Proposed 2018 Budget Impacts
  - Status Report: Ongoing Projects/Operational/Financial
7. Items from Counsel
8. Other Items from Board Members/Staff Not on Agenda
9. Adjourn

Cc:W. Dupler/George Hayes, Chesterfield  
D. Harrison, Petersburg Public Works  
C. England, Prince George  
W. Henley, Colonial Heights  
R. Wilson, Dinwiddie Water Authority  
A. Anderson, McGuire Woods

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

**2. Approval of Agenda (Section 3.6 of Bylaws)**

**3. Approval of Minutes: Minutes of the Regular Board Meeting on January 19, 2017.**

Following are the minutes of the Regular Meeting of the Appomattox River Water Authority Board of Directors on January 19, 2017.

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

## **BOARD OF DIRECTORS MEETING**

**Appomattox River Water Authority**

**January 19, 2017 at 2:00 p.m.**

**Location: Appomattox River Water Authority  
21300 Chesdin Road, S. Chesterfield, Virginia**

### **PRESENT:**

Percy Ashcraft, Chairman (Prince George)  
Joseph Casey, Vice-Chairman (Chesterfield)  
Kevin Massengill, Secretary (Dinwiddie)  
William Henley, (Colonial Heights)  
Tom Tyrrell, (Petersburg)  
Charles England, (Alternate, Prince George)  
Daniel Harrison (Alternate, Petersburg)  
Robert B. Wilson (Alternate, Dinwiddie)  
George Hayes, (Alternate, Chesterfield)  
William Dupler, (Alternate, Chesterfield)

### **STAFF:**

Robert C. Wichser, Executive Director, (ARWA & SCWWA)  
James C. Gordon, Asst. Executive Director (ARWA & SCWWA)  
Dale Mullen, (McGuire Woods)  
Melissa Wilkins, (Accounting/Office Manager (ARWA & SCWWA)  
Cindy Nester, Administrative Assistant (ARWA)

### **OTHERS:**

Chris Tabor (Hazen & Sawyer)  
Jack Berry, (Petersburg)  
Jeff Hill, (VDOT)

### **ABSENT:**

Mr. Ashcraft, Chairman, called the meeting to order at 2:04 p.m.

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

The roll was called.

#### **2. Approval of Minutes: Minutes of the Regular Board Meeting on November 17, 2016:**

Upon a motion made 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 November 17, 2016 are hereby approved:**

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

#### **3. Public Comment**

There were no public comments.

#### **4. Executive Director Report**

- **Reservoir Status Update for December 2016**

Dr. Wichser reported on the reservoir status update for December 2016. He stated at this time that the Chesdin Reservoir continues to be full.

- **Review of Six Month Work Plan Summary**

Dr. Wichser stated that this item was requested by our Chairman with whom he met with last week. He had a couple of items he wanted to discuss. First, he would like to have any further needed discussion and if there is none then close out the topic of the Branders Pump Station & Ground Tank. This item had been in mediation services and we have expended at least \$40,000 on this effort. The second item the Board needs to continue to recall is the Off-Site Alternative Raw Water Supply Storage project which was placed on hold by the Board however we still have funding in the Budget for Raw Water Storage Engineering and Legal. Dr. Casey asked if we had closed out the Contract for the Branders Mediation Services and Dr. Wichser said it is closed as of December 1, 2016. Mr. Ashcraft asked if it continued would a new contract be required and Dr. Wichser replied no.

Dr. Wichser stated that the In-Plant Capital Project had been approved by the Board in May 2016. That project included the upgrade to Raw Water No. 1 Pump Station, the upgrade of Finished Water No. 1 Pump Station, replacement of a 1967 emergency generator and the upgrade of the electrical systems feeding Raw No. 1 and Finished No.1 pump stations. This project was placed on hold due to financial issues that we believe have now been addressed. We want to issue a Request for Proposals for Engineering Services which we would expect to do in February, then set up a committee for review of the submittals, conduct the responder's interviews, and finally select an Engineering Firm to handle the In-Plant Capital Project. Additionally, we would like to submit an application with the Virginia Resources Authority (VRA) for the spring

bond funding which would be at no cost to the Authority. The VRA application is due February 3, 2017 and if we miss that date it would be another six months before we could re-submit.

Mr. Massengill stated that he liked the "Six Month Work Plan Summary" and requested that when future reports are distributed to the Board that staff highlight any items that needed to be discussed in detail during the board meetings so that board members could be prepared prior to meetings.

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

**RESOLVED, that the Board approves the Executive Director to file a bond funding application with Virginia Resources Authority and advertise a RFP for Engineering Services for the In Plant Upgrade Project.**

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

Mr. Ashcraft stated that he had requested Dr. Wichser to prepare this document for both Authorities. He stated that this will cover the major agenda items over the next six months and enable members to know what Staff is working on. Dr. Casey stated Chesterfield County appreciates the flushing schedule being adjusted. Mr. Massengill asked Dr. Wichser if there was a way to high-light items that he wanted feedback on so that they could be prepared to make comments at the meeting and Dr. Wichser replied that we certainly can do that.

- **Annual Flushing Notice**

Dr. Wichser mentioned the upcoming annual spring flushing event. ARWA is planning to implement this action between February 27 and March 3rd. The utility engineers and member departments will be contacted to make sure they know what's going on and the date and times flushing will occur. The Press Release on the upcoming flushing event will also be sent out.

- **Review of Brasfield Dam Raise Project**

Dr. Wichser reported that we had comments from Board members in November requesting more information on the potential dam raise project. The Board wanted to know an estimated scope of work, what would need to be done and what an estimated time-line would be. He further stated that he provided information in the Board package related to this subject matter. There was discussion about the model results presented by Hydrologics in November and Dr. Wichser said we wouldn't know actual impacts until the existing Water Protection Permit parameters (release requirements) are tested under an extreme drought situation. Dr. Wichser presented a report on raising the dam. He put the project into three phases (I, II and III). To date Phase 1 has already been completed, which took approximately 9 months. Phase II is where ARWA would need to define the funding source, develop the grant agreement between DEQ and ARWA, hire an engineering firm, and submit a Virginia Water Protection Permit modification request to DEQ and the Army Corp of Engineers. This could take anywhere from 12 months to 2 ½ years. Phase III is construction which could be done fairly quickly. Total estimated project time is 3 ½ years to 5 ½ years. He further stated the Federal Agencies would only approve the project that has the least environmental impacts on the aquatic system. He stated he would like something in the bank (additional raw water) by no later than 2037-2038 based on recommendations from ARWA's outside water resource experts. He doesn't feel the Authority could wait much past that time frame. As the existing Water Protection Permit reaches expiration, we are going to get a better feel for what is going on and our water needs. Our outside water resource experts estimated in 2013 that a 5 billion gallon off-site storage facility could take the Authority beyond 2060 for needed raw water supply. If ARWA were to raise the dam plus attain a 5 to 7 billion gallon storage site, these additional raw water sources have the potential to take us to 2080 based on the expert's projections. Mr. Ashcraft asked for a simple explanation why this project should be undertaken. Dr. Wichser replied there are two reasons that this topic is still active. First is what occurred in 2010 where a drastic water level decrease was experienced on this reservoir due to errors in the amount of water the Authority released for environmental compliance. This major decrease in reservoir level shocked the public and the Board and stressed to the Board the overall importance the reservoir can have. Second, presently there is a \$5M matching grant available that sweetened the deal.

Mr. Massengill stated there are two things going on at the same time. When 2010 hit, the public sentiment was very critical back then to both the Authority and the Board. The public not only felt the Board's role in addition to providing reliable drinking water and having the lake drop so much that they also questioned the Authority's policies and permits. We started a permit review which took a lot of studies to get the permit approved. Legislature stepped in and provided available funding to raise the dam as there was a grant for that. We received a favorable fifteen year permit that terminates in 2028 which gives us the ability under the demand conditions that we are seeing now and projected for the 15-year permit cycle, allowing us to consider pushing the dam project outwards.

Mr. Ashcraft said a question that keeps coming back today is; has anything changed from a year or two ago when we took the vote that urges us to reconsider action. He asked Dr. Wichser how much money we had spent related to raising the dam to date on the outside of this and Dr. Wichser replied approximately \$250,000 (Editor note: Actual outside consultant cost related to dam raise studies from 2012 to date are: \$233,366).

Dr. Wichser stated that in November the Board talked about eventually doing a phased part of the project and requested the Authority to move forward and meet with the Virginia Department of Transportation. He then introduced Mr. Jeff Hill from VDOT, who is the District Bridge Engineer who talked about the two bridges in Dinwiddie that would be impacted by a Dam Raise Project. This is part of the project that may initially be attacked. Dr. Wichser said they talked about funding through federal highway funds or the Commonwealth for these bridges; how the bridges stand in their ranking with the other bridges that are in front or behind; how the funding might work if the Authority or a member wanted to move forward. Mr. Hill stated that in 2014 we talked and had a conversation where Dr. Wichser asked if we had any future plans for these two structures and they (VDOT) stated that they did not. The condition of these two bridges in the past two years hasn't changed and they have general condition ratings of 5. The Namozine Creek Bridge does have a rating of 6. The current process VDOT has to do bridge replacements just came about from recent legislation in Virginia General Assembly House Bill 1887. What that bill requires is VDOT prioritize every structurally deficient bridge in the state and district. Those structurally deficient bridges are ranked and money is applied based on that ranking. Because these two bridges are not structurally deficient they are not eligible for state of repair replacement funds right now. Mr. Hill stated that some issues ARWA would have to deal with is how high to raise those bridges based on potentially impacted hydraulic capacity and impacts on wetlands and boat traffic.

Mr. Massengill asked if the \$6 million to repair bridges at Namozine Creek and Cozy Cove Marina was the total project cost and Mr. Hill answered it is for the bridges. Mr. Massengill asked Mr. Hill about the revenue sharing funds and if we came up with actual revenue sharing dollars. He asked if that was something either the Authority wished to pay or would VDOT cost share the project and Mr. Hill said it would have to be scored.

Mr. Ashcraft asked if we move forward and do the project if work on the bridges would start at the beginning and Mr. Hill said yes but most projects take 3 to 3 ½ years. He stated that the old form of bridge replacement had a dedicated bridge fund. Once you have a sufficient rating of less than 50 you could get federal funds. Whippervock Creek is 55 and Namozine Creek is 63.

Mr. Massengill stated the bridges were being looked at again because we have this time line on the \$5 million grant and nothing really suggests that raising the dam is something that has to happen soon. One aspect of raising the dam in 10, 15 or 30 years from now is that these bridges will have to be replaced. Mr. Hill said smart scale just came in and there were 400 applications and there was \$8.5 billion in need and only \$1 billion available.

Dr. Casey said maybe we need to find a way to do Phase I where it is grant eligible. He feels we should finalize all that we can in Phase I and consume the grant. Mr. Henley asked if the vote about raising the dam was made to further the project and Mr. Ashcraft stated it was to not move forward with the project but there would be a report annually to the Board. Mr. Massengill asked about where the matching \$5 million would come from.

Dr. Casey stated he would like to meet again in February for this discussion. He wants to explain to Delegate Cox about the project and what's approved. Mr. Ashcraft asked Dr. Casey if Chesterfield County had any interest in the grant and Dr. Casey replied for the sake of today's discussion he thought the Authority should be a part of the grant. Mr. Ashcraft said he remembered discussion about the grant being flipped to Chesterfield County and Mr. Massengill stated it could be one jurisdiction if need be. He asked Dr. Wichser if during Phase II some of it could be done with the \$10 million and Dr. Wichser replied yes. Dr. Wichser recommended we go ahead and let Delegate Cox know what we are thinking. DEQ will be the one to write the grant and we don't know what that will look like. We've got to get them to pen a proposal to us which will be written on what they hear from the Legislature. Once we get the grant agreement in hand we will know what we can do. He stated that he would arrange to have both Walter Gills and Scott Kudlas from DEQ present to answer specific grant agreement/contract requirements and potential impacts on ARWA's existing Water Protection Permit since ARWA staff is not able to answer questions from the Board related to DEQ's requirements.

Dr. Casey suggested creating two different \$10 million scenarios. One may be a bridge scenario and one might be wetlands mitigation. Mr. Massengill stated this would be an Authority project. Mr. Ashcraft asked Dr. Wichser where he saw the \$5 million matching grant money coming from and Dr. Wichser replied it would be from the ARWA membership.

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

**RESOLVED, that the Executive Director is to present to the Board of Directors of ARWA both a physical and operational plan to move forward with approval of an action that the Board of Directors can take to avoid forfeiture of the \$5 million grant funding from the General Assembly through the process of developing a budget plan as well as an operational plan called Phase I or Phase II, which is up to the Executive Director, to be presented to the Board at the February 2017 meeting. This is a \$10 million plan with \$5 million being the grant:**

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

- **Chesdin Reservoir Storage Management Plan**

Dr. Wichser reported that on October 23, 2016 ARWA advertised proposals related to Water Protection Permit required Storage Management Plan, which is a required Regulatory item that is to be submitted for review and approval by DEQ by November 1, 2017. No proposals were received. Dr. Wichser talked to Hazen and Sawyer (one of ARWA's Trust Engineers) that has a staff that can assist and complete this project. He introduced Chris Tabor of Hazen of Sawyer, who submitted a scope of work to Dr. Wichser. Dr. Wichser stated the Board approved in May 2016 \$200,000 in the Replacement Fund for this project. He asked Board approval to award the Water Protection Permit required Storage Management Plan study to Hazen and Sawyer in the amount of \$91,141.

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

**RESOLVED, that the Board approves the award of the Water Protection Permit required Storage Management Plan study for a lump sum not to exceed the amount of \$91,141 to Hazen and Sawyer, Consulting Engineers. Additional funds (costs for stakeholder meeting facilities and public notifications associated with the meetings) might be needed towards this required work, however, since \$200,000 has already been approved for this project, any additional fund expended will be at the discretion of the Executive Director:**

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

- **Update on the ARWA Water Service Agreement**

Dr. Wichser updated the Board on the status of the Water Service Agreement. Prince George and Dinwiddie have reviewed it and we are presently waiting to hear back from Chesterfield County. Once this is done Dr. Wichser will discuss with Colonial Heights.

- **Presentation of proposed FY 2017-18 Operating Budget**

Dr. Wichser presented the Proposed FY2017/2018 Budget, and stated that ARWA would be holding the required public hearing on the proposed budget in March; whereas the Board will vote on the proposed budget at the May 18, 2017 Board meeting. Dr. Wichser stated there is no Board action required at this time. Mr. Ashcraft asked Dr. Wichser to share the Springsted Study done last year with Dr. Casey and after some discussion it was realized that Chesterfield County Human Resources Department already had reviewed and commented on this study and Dr. Casey would receive a copy from his HR Department Director.

- **Implementation of Market Based Adjustment**

Dr. Wichser stated per the Board's request, we are bringing back for the Boards consideration and approval a proposal on an ARWA/SCWWA employee Market Based Salary Adjustment. Springsted was brought in to conduct the first ever study of this kind and they showed the Authorities' job classification ranges and actual existing employee salary levels for some employees are slightly below the Central Virginia government utility market. They suggested both ARWA & SCWWA develop a new salary schedule which was undertaken, completed, and Board approved for adoption in July 2016. Mr. Gordon stated this was brought to the Board in January 2016 and we were asked by the Board to put the cost of the proposed salary changes in the FY2017 budget which was approved by the Board in May 2016. Mr. Gordon further stated that when the new salary ranges were implemented in July 2016, minimal adjustments were made to employee salaries that needed to be brought to the minimum of the new pay scale. The Board was concerned with giving everyone a two percent across the board market based salary increase and suggested we come back with a better plan of action. If the Board presently approves our proposal, we would begin next week discussions with Department Managers who would be required to write up any market based adjustment justifications based on existing employee salaries, experience and performance. This would be submitted to the Executive Director, Assistant Executive Director, and Accounting/Office Manager, who will evaluate those justifications and decide what percentage increase they would get. Dr. Wichser asked for Board approval to proceed.

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

**RESOLVED, that the Board approves for the Authorities to proceed with their alternative proposal for the implementation of the market based employee salary adjustment with total adjustments not to exceed the budgeted annual costs allotted in the Approved FY 2016/17 Budgets:**

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

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

Mr. Gordon went over the Ongoing Projects/Financials. He reported we received a letter from the Virginia Department of Health this week notifying ARWA that starting January 1, 2017 ARWA will need to increase our phosphate (Lead & Copper corrosion inhibitor) feed rate by fifty percent. We increased this chemical's feed rate fifty percent last year and

their recommendation is to go up fifty percent more. We estimate that this could cost ARWA's treatment chemical budget more than a \$100,000 increase per year for the additional chemical.

**5. Items from Counsel**

- **Review and Approval of Authority Freedom of Information Policy**

Mr. Mullen reported on the FOIA Rules and Policy that was developed for both Authorities.

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

**RESOLVED, that the ARWA/SCWWA Board of Directors approve the policy and the designation of the ARWA/SCWWA Office/Accounting Manager as the FOIA Officer:**

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

- **Financial Disclosure Statement**

Mr. Mullen stated this is a reminder for you to renew your Financial Disclosures Statements.

He is pleased to represent ARWA/SCWWA as legal counsel. He has an Agreement for Mr. Ashcraft, Dr. Wichser and himself to sign.

**6. Closed Session**

There was no Closed Session.

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

Dr. Casey stated Niagara Bottling facility will be in production in March and ARWA will be its water source. He stated that he has a video of the facility he would be glad to forward if anyone is interested.

Mr. Henley stated Colonial Heights has appointed a new City Manager, Douglas Smith. He is expected to start on March 23, 2017.

Mr. Tyrrell introduced Jack Berry as the City of Petersburg's Assistant City Manager of Operations.

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

**RESOLVED, that the Board approved a Special Meeting for ARWA Board of Directors on February 23, 2017 at 3:00 p.m.:**

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

**8. Adjourn**

Upon a motion made by Mr. Massengill and seconded by Mr. Henley the meeting was continued from 4:21 p.m. until February 23, 2017 at 3:00 p.m. at the Appomattox River Water Authority.

The next regularly scheduled Board meeting is Thursday, March 16, 2017 at 2:00 p.m. at the South Central Wastewater Authority.

MINUTES APPROVED BY:

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**Kevin Massengill**  
**Secretary/Treasurer**

#### 4. 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.

- **Public Hearing on Proposed FY 2017/18 Operating Budget**

Following is the Notice of Budget as advertised on our website and in the Progress Index, Chesterfield Observer, Dinwiddie Monitor, and Prince George Journal.

**APPOMATTOX RIVER WATER AUTHORITY PROPOSED BUDGET AND ESTIMATED RATES  
FOR THE FISCAL YEAR ENDING JUNE 30, 2018**

Notice is hereby given that the Board of the Appomattox River Water Authority (the "Authority") will hold a public hearing for informative and fiscal planning purposes to consider the following proposed budget and the estimated rates for the fiscal year ending June 30, 2018 ("FY2018"). The public hearing allows the public to question and comment on the proposed budget and estimated rates.

The meeting, which may be continued or adjourned, will be held at 2:00 o'clock p.m. on March 16, 2017, before the Board, in the South Central Wastewater Authority Board Room, at 900 Magazine Road, in Petersburg, Virginia. Any person interested may appear at the meeting and present their views. Information regarding the proposed budget and estimated rates is on file and is open for inspection at the Appomattox River Water Authority's office at 21300 Chesdin Road, Chesterfield, Virginia, during business hours.

**PROPOSED BUDGET**

**REVENUES**

Chesterfield County .....	\$6,560,763
City of Colonial Heights .....	563,958
Dinwiddie County .....	639,577
City of Petersburg .....	1,562,781
Prince George County .....	322,654
<u>Interest &amp; Miscellaneous Income .....</u>	<u>32,490</u>
<b>TOTAL REVENUES .....</b>	<b>\$9,682,223</b>

**EXPENSES**

**Operating and Maintenance Expenses**

Salaries .....	\$1,610,000
Employee Benefits .....	630,100
Contractual Services.....	809,200
Other Charges (Utilities, Insurance, Fuel, Training).....	977,600
Materials & Supplies.....	2,752,500
Debt Service .....	1,576,426
Reserve Policy.....	475,397
<u>Replacement.....</u>	<u>851,000</u>
<b>TOTAL EXPENSES .....</b>	<b>\$9,682,223</b>

Pursuant to the water service agreement in effect between the Authority and each of its five participating jurisdictions, the proposed budget as set forth above will result in an estimated rate per 1000 gallons of finished water purchased during FY2018 by each of the participating jurisdictions as set forth below:

	RATES (\$/1,000 gallons)		
	FY2017	FY2018	% Difference
Chesterfield County	0.9595	0.9049	-5.69%
City of Colonial Heights	0.8992	0.9004	0.13%
Dinwiddie County	1.4953	1.4143	-5.42%
City of Petersburg	0.9017	0.9021	0.04%
Prince George County	1.3570	1.3539	-0.23%

The rates are subject to change in accordance with the water service agreement based on, among other things, the amount of water actually purchased by each participating jurisdiction and the amounts of revenues received and expenses incurred by the Authority during FY2018.

**5. Closed Session pursuant to Section 2.2-3711(A)(3) of the Code of Virginia of 1950, as amended, for discussion and consideration of the acquisition of real property for a public purpose, or of the disposition of publicly-held real property, relating to the Authority's real property and the proposed Amended and Restated Water Service Agreement.**

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

- **Reservoir Status Update for February/March 2017**

- **Discussion of Financing Options for In-Plant Project - Davenport**

Davenport and Company will review and discuss financing options for the ARWA In-Plant Projects.

Following is the VRA term sheet for the ARWA loan request through the VPFP Series 2017A bond issue

**Appomattox River Water Authority**  
**Virginia Pooled Financing Program – Revenue Pledge – Terms and Conditions**

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*Below is an outline of the proposed principal terms and conditions for the type of financing requested in the Appomattox River Water Authority application for funding from the Spring Series 2017 Virginia Pooled Financing Program (“VPFP”), which has been authorized by the Credit Committee of Virginia Resources Authority (“VRA”). The final terms and conditions will be set forth in the Local Bond Sale and Financing Agreement between VRA and the Appomattox River Water Authority, which will be executed in advance of the VPFP Spring Series 2017 bond issue pricing in May 2017. The following proposed terms are valid through June 30, 2017.*

<b>Borrower:</b>	Appomattox River Water Authority (the “Borrower”)
<b>Amount:</b>	Requested proceeds of up to \$16,120,000 plus costs of issuance and funds necessary to provide for the debt service reserve fund referenced below (Any changes in the Requested Proceeds amount should be submitted no later than March 24, 2017)
<b>Purpose:</b>	To finance water system improvements, together with related expenses (the “Project”)
<b>Security:</b>	Water revenue pledge, debt service reserve fund as required under the Borrower’s local master indenture of trust
<b>Rate Covenant:</b>	Net revenues available for debt service shall be 100% of Borrower’s annual debt service payable from water revenues, including transfers from the Member Jurisdictions, as defined below
<b>Qualified Independent Consultant Report:</b>	If as of the end of any fiscal year, the Borrower is not in compliance with the revenue covenant, the Borrower will within 30 days of receipt of the annual audited financial statements request a consultant report with recommendations to bring the Borrower into compliance with the rate covenant
<b>Moral Obligation:</b>	Moral obligation pledges of the Counties of Chesterfield, Dinwiddie, and Prince George, and the City of Colonial Heights (collectively, the “Member Jurisdictions”) as acknowledged in support agreements of the governing body of each locality and acknowledgement and consent by resolution to the issuance of the proposed debt; the moral obligation support related to 100% of the annual debt service on the proposed loan may be allocated among the four Member Jurisdictions at their discretion; it is anticipated that

## **Appomattox River Water Authority**

### **Virginia Pooled Financing Program – Revenue Pledge – Terms and Conditions**

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each Member Jurisdiction’s support agreement will cover their respective share of the total debt service of the proposed loan, and each Member Jurisdiction’s obligation under the related support agreement would be triggered only by that Member Jurisdiction’s or the City of Petersburg’s default under the water service agreement between the Borrower, the Member Jurisdictions, and the City of Petersburg

**Other Conditions:**

Notice to VRA prior to the pricing of the VFPF Spring Series 2017 bond issue if the Borrower becomes aware of any threatened or filed litigation with respect to the Project<sup>1</sup>;

Notice to VRA of intent to participate in the VFPF Spring Series 2017 bond issue no later than March 31, 2017<sup>2</sup> through the execution of the Borrower’s Local Bond Sale and Financing Agreement related to the proposed loan

**Other Highlighted Documentation:**

- Certified copies of the Borrower and Member Jurisdiction local resolutions authorizing the proposed financing
- Certified copies of Member Jurisdiction resolutions and support agreements

**Legal Opinions:**

Customary opinions as to authorization, validity, no litigation, and no private activity and other matters requested by VRA

**General Covenants:**

To include those customary for these types of transactions, including events of taxability and others that are appropriate in the context of the financing

**Payment Dates:**

April 1 - Interest  
October 1 – Principal and interest

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<sup>1</sup> *In the event of threatened or filed litigation with respect to the Borrower or the Project, VRA reserves the right to withdraw or alter the terms of this commitment in its sole discretion.*

<sup>2</sup> *If a material adverse change has occurred in the financial condition of the Borrower as indicated in the financial statements, application and other information furnished to VRA between the date of the Borrower’s loan application to the VFPF and the VFPF bond pricing, VRA reserves the right to withdraw or alter the terms of this commitment in its sole discretion.*

## Appomattox River Water Authority

### Virginia Pooled Financing Program – Revenue Pledge – Terms and Conditions

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**Final Local Bond**

**Maturity:** No later than October 1, 2042

**VRA Loan Origination**

**Fee:** 12.5 basis points of par amount and added to costs of issuance

**Annual Administrative**

**Fee:** 12.5 basis points of outstanding principal and payable semi-annually

**Annual Pass-through fees:**

Annual trustee fees; allocable costs associated with arbitrage rebate calculations

**Acknowledgement:**

The foregoing terms and conditions are hereby acknowledged the \_\_\_\_\_ day of \_\_\_\_\_, 2017.

By: \_\_\_\_\_

Its: \_\_\_\_\_

**VRA Contact:**

Peter D'Alema  
Director of Program Management  
Virginia Resources Authority  
1111 East Main Street  
Suite 1920  
Richmond, VA 23219  
804-616-3446  
[pdalema@virginiresources.org](mailto:pdalema@virginiresources.org)

- **Presentation of Proposed Amendment to 1964 Water Service Agreement**

Following is a Proposed Amendment to the 1964 Water Service Agreement that would allow for the ownership and sale of Treatment Plant Water Allocation.

FOURTH AMENDMENT TO

1964 Service Agreements

between

Appomattox River Water Authority

and

Participating Jurisdictions of

County of Chesterfield

City of Colonial Heights

County of Dinwiddie

City of Petersburg

County of Prince George

**THIS FOURTH AMENDMENT to the WATER SERVICE AGREEMENT** (this "Agreement") is made and entered into as of \_\_\_\_\_, 2017, by and between the **APPOMATTOX RIVER WATER AUTHORITY** ("ARWA"), the **COUNTY OF CHESTERFIELD, VIRGINIA** ("Chesterfield"), the **CITY OF COLONIAL HEIGHTS, VIRGINIA** ("Colonial Heights"), the **COUNTY OF DINWIDDIE, VIRGINIA** ("Dinwiddie"), the **CITY OF PETERSBURG, VIRGINIA** ("Petersburg") and the **COUNTY OF PRINCE GEORGE, VIRGINIA** ("Prince George").

**RECITALS:**

**WHEREAS**, ARWA is a public body politic and corporate created in 1960 by agreement of the governing bodies of Chesterfield, Colonial Heights, Dinwiddie, Petersburg and Prince George (collectively, the "Participating Jurisdictions" and each a "Participating Jurisdiction"), and in accordance with the Virginia Water and Waste Authorities Act, Virginia Code § 15.2-5100, et seq. (the "Act"), for the purpose of serving the water needs of the Participating Jurisdictions; and

**WHEREAS**, it was intended that ARWA would wholesale finished water to the Participating Jurisdictions and each Participating Jurisdiction would in turn retail the finished water to the individual service connections served by such Participating Jurisdiction; and

**WHEREAS**, ARWA and the Participating Jurisdictions entered into Service Agreements dated August 28, 1964, between ARWA and Petersburg, September 8, 1964, between ARWA and Prince George, September 9, 1964, between ARWA and Chesterfield, September 9, 1964, between ARWA and Dinwiddie, and September 15, 1964, between ARWA and Colonial Heights, all as collectively amended

by ARWA and the Participating Jurisdictions pursuant to the Amendment to 1964 Service Agreements, dated December 20, 1982, the Modification Agreement, dated as of September 1, 1983, the Second Amendment to 1964 Service Agreements, dated August 15, 1986, and the Third Amendment to 1964 Service Agreements, dated August 22, 2001 (collectively, the "Original Service Agreements"); and

**WHEREAS**, the Original Service Agreements did not provide for, among other things, the sale and ownership of finished water allocations between the Participating Jurisdictions,

**WHEREAS**, the Board of Directors of ARWA (the "ARWA Board") and the governing bodies of the Participating Jurisdictions have determined to amend the Original Service Agreements to (i) facilitate planning for the economic development of each Participating Jurisdiction and (ii) allow each Participating Jurisdiction to realize the full benefit of the capacity for which it has paid and will continue to pay by, among other things, enabling the Participating Jurisdiction to have capacity rights that may be transferred, either permanently or temporarily, to other Participating Jurisdictions; and

**WHEREAS**, the ARWA Board has determined to amend the Original Service Agreements to enable a Participating Jurisdiction to sell and/or assign all or a portion of Treatment Plant Allocation, while maintaining the original purposes of the Original Service Agreements; and

**NOW, THEREFORE**, the parties hereto agree that nothing in the Original Service Agreements shall prevent or restrict any one or more of the Participating Jurisdictions from entering into separate agreements with any one or more of the other Participating Jurisdictions to create ownership rights in the Allocations of Total Capacity and buying and selling, on a permanent or temporary basis, such ownership rights. The Participating Jurisdictions entering into such agreements shall give ARWA written notice thereof and ARWA shall note in its records any permanent or temporary transfer of an Allocation of Total Capacity and, to the extent permitted by law, cooperate in the enforcement of the provisions of such agreements by, among other things, limiting a selling Participating Jurisdiction's Capacity Demand to the level of its remaining Allocation of Total Capacity.

**IN WITNESS WHEREOF**, ARWA and each Participating Jurisdiction has caused their respective corporate seals to be hereunto affixed and attested, and these presents to be signed by their respective officers thereunto duly authorizes this AMENDMENT TO the 1964 Service Agreement to be dated as of the date and year first above written.

**APPOMATTOX RIVER WATER AUTHORITY**

By: \_\_\_\_\_

Chairman

ATTEST:

\_\_\_\_\_

Secretary

**CITY OF PETERSBURG, VIRGINIA**

By: \_\_\_\_\_

Mayor

ATTEST:

\_\_\_\_\_

Secretary

**COUNTY OF CHESTERFIELD, VIRGINIA**

By: \_\_\_\_\_

Chair, Board of Supervisors

ATTEST:

\_\_\_\_\_

Secretary

**CITY OF COLONIAL HEIGHTS, VIRGINIA**

By: \_\_\_\_\_

Mayor

ATTEST:

\_\_\_\_\_

Secretary

**COUNTY OF DINWIDDIE, VIRGINIA**

By: \_\_\_\_\_

Chair, Board of Supervisors

ATTEST:

\_\_\_\_\_

Secretary

**COUNTY OF PRINCE GEORGE, VIRGINIA**

By: \_\_\_\_\_

Chair, Board of Supervisors

ATTEST:

\_\_\_\_\_

Secretary

- **Brasfield Dam Raise Project Proposed 2018 Budget Impacts**

Following is a Phase 1 - Planning Level Estimated Phasing Schedule for Raising the Brasfield Dam.

Also included are the debt service budget impacts for a Dam Raise Project on the proposed FY2017/18 budget and estimated FY2018/19 budget.

# Estimated Phasing Schedule Raising the Brasfield Dam PHASE 1

YEAR 1-5  
for Phase 1  
of  
PROJECT:  
STEP 1

- Year 2017-2018
- Virginia Water Protection Permit Opening & Modification with CORPS/DEQ : Estimated cost: \$150,000
- ONLY PROCEED TO STEP 2 IF PERMIT CHANGES ARE DEEMED ACCEPTABLE**

STEP 2

- Year 2018-2020
- Submit federal application for approval to the Federal Energy Regulatory Commission
- Complete technical studies required by FERC: Estimated cost: \$450,000
- If FERC approval deemed acceptable then proceed to STEP 3 only after DEQ Matching Grant Terms acceptable**
- Concurrent with FERC required work, hold Local Public Meetings (2) introducing project and proposed schedule
- Concurrent with FERC required work - Complete Grant Contract with VA-DEQ
- If VA-DEQ Matching Grant Terms are Acceptable, then proceed to STEP 3**

STEP 3

- Year 2019-2020
- Completion of Additional Studies/Purchase of Environmental Credits
- Potential impacts on landowners/marinas (Only if needed): Estimated cost: \$200,000
- Bridge replacement permitting and approvals: Estimated Cost: \$50,000
- Preliminary Engineering Report on Dam Raise: Estimated Cost: \$150,000

STEP 3  
continued

- Year 2020-2023
- Initial Purchase of Environmental Credits: \$3,000,000 (2014 estimates)
- Construction: Bridge Replacements (2): \$6,000,000 (2014 estimates)
- Assume no cost impacts from landowners/marinas*

• **TOTAL ESTIMATED COST OF PHASE 1: \$10,000,000**

### Projected Rates with Phase 1 - Dam Raise Debt Service

	Chesterfield	Colonial Heights	Prince George	Dinwiddie	Petersburg	Total
<b>Plant and O&amp;M Allocation - based on current allocation and 5 year averages</b>						
% Plant Allocation	69.31%	4.39%	2.86%	6.75%	16.69%	100.00%
Estimated Flows (BG/Y)	7.250	0.626	0.238	0.452	1.732	10.298
% estimated flow	70.40%	6.08%	2.31%	4.39%	16.82%	100.00%

#### FY2018

FY2018 Debt Service - Dam Raise <sup>(1)</sup>	\$77,973.75	\$4,938.75	\$3,217.50	\$7,593.75	\$18,776.25	\$112,500.00
Debt Service <sup>(2)</sup>	\$590,167.42	\$55,731.70	\$123,634.61	\$255,631.64	\$135,503.77	\$1,160,669.15
Proposed O&M <sup>(3)</sup>	\$5,970,596.06	\$508,225.81	\$217,512.05	\$431,199.79	\$1,361,530.01	\$8,489,063.72
<b>Total</b>	<b>\$6,638,737.23</b>	<b>\$568,896.27</b>	<b>\$344,364.15</b>	<b>\$694,425.18</b>	<b>\$1,515,810.03</b>	<b>\$9,762,232.87</b>
Total Rate - W/ Dam Raise	<b>\$0.9157</b>	<b>\$0.9088</b>	<b>\$1.4469</b>	<b>\$1.5363</b>	<b>\$0.8752</b>	\$0.9480
Rate increase related to Dam raise	<b>\$0.0108</b>	<b>\$0.0079</b>	<b>\$0.0135</b>	<b>\$0.0168</b>	<b>\$0.0108</b>	\$0.0109

#### FY2019

FY2019 Debt Service - Dam Raise <sup>(1)</sup>	\$264,348.34	\$16,743.46	\$10,908.04	\$25,744.50	\$63,655.66	\$381,400.00
Debt Service <sup>(2)</sup>	\$818,811.96	\$70,099.42	\$132,450.92	\$276,664.64	\$190,603.05	\$1,488,630.00
Estimated O&M <sup>(3)</sup>	\$6,026,127.04	\$520,324.90	\$197,823.20	\$375,697.85	\$1,439,620.97	\$8,559,593.97
<b>Total</b>	<b>\$7,109,287.34</b>	<b>\$607,167.78</b>	<b>\$341,182.16</b>	<b>\$678,106.99</b>	<b>\$1,693,879.69</b>	<b>\$10,429,623.97</b>
Total Rate - W/ Dam Raise	<b>\$0.9806</b>	<b>\$0.9699</b>	<b>\$1.4335</b>	<b>\$1.5002</b>	<b>\$0.9780</b>	\$1.0128
Rate increase related to Dam raise	<b>\$0.0365</b>	<b>\$0.0267</b>	<b>\$0.0458</b>	<b>\$0.0570</b>	<b>\$0.0368</b>	\$0.0370

Notes

- (1) Debt Service-Dam Raise payments are based on a \$5,000,000 VRA loan at 4.5% for 20 years. Additional \$5,000,000 for phase 1 dam raise project would come from the state grant.
- (2) Current debt service payment includes 45.62% of the 2010 debt service payment, 2012 debt service, and estimated Debt Service payment for the In Plant Projects
- (3) Proposed and Estimated O&M includes expected O&M expenses, Replacement costs, Reserve Policy, 54.38% of the 2010 Debt Service payment, and estimated miscellaneous revenue

	Chesterfield	Colonial Heights	Prince George	Dinwiddie	Petersburg	Total
<b>TOTAL COST OF ESTIMATED DEBT SERVICE FOR \$5 MILLION OVER 20 YEARS AT 4.5%</b>	<b>\$5,332,971.31</b>	<b>\$337,783.06</b>	<b>\$220,059.13</b>	<b>\$519,370.31</b>	<b>\$1,284,191.19</b>	<b>\$7,694,375.00</b>

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

Following are status reports concerning the Ongoing Project, Operations, and Financials for the ARWA.

# MEMORANDUM

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

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

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

**DATE: MARCH 16, 2017**

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

## Lime Silo Improvements

- This project has reached substantial completion.
- The rotary valve on the bulk lime silo is defective and is being replaced on a priority basis. The valve was received by the ARWA on March 8, 2016 and the contractor was onsite to install on March 9, 2017. Once installed staff will monitor the system for proper operation.
- The lime system has been engaged since November, 2016. Level controls are now working.
- Sedimentation basin work and the clearwell valve work are complete.
- This project should be closed out in the near future.

# MEMORANDUM

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

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

**SUBJECT:** OPERATING AND FINANCIAL STATUS REPORT

**DATE:** MARCH 16, 2017

## Operating Status Report

### General:

- The next Board of Directors Meeting is scheduled for 2:00 PM on Thursday May 18, 2017 at the Appomattox River Water Authority.
- A kick-off meeting for the ARWA's Virginia Water Protection Permit required Storage Management Plan has been scheduled for March 23<sup>rd</sup>.
- The FY17/18 Budget was advertised in the Progress Index, local member papers, and on our website.
- Several Engineering Firms have been by to tour the facility as a result of the ARWA In-Plant Project RFP.
- The ARWA's Flushing was successfully completed.
- The ARWA's VPDES permit application has been submitted and we are awaiting sample analysis data to submit.

### Operations:

- Finished water met all permit requirements for the month of January and February. Copies of the VDH monitoring reports are available if anyone would like to see them.
- Staff continues to work with the contractor to resolve issues with the new lime transfer system. The main issue now is a bad rotary valve that MEB will replace.
- The ARWA on March 3<sup>rd</sup> switched to the new blend of PO4. VDH provided prior approval and Utility Directors were informed of this change in advance. The new blend was selected to more efficiently meet the new VDH ortho-PO4 regulation.
- GAC Carbon caps were regenerated for Filters 17-20 and 1-8.

### Maintenance:

- Staff will be installing and piping in a new PO4 tank. This will give our operators more flexibility for storing and ordering this chemical.
- Staff is preparing the boat for the lake study and will perform an inspection of the boat docks to ensure all docks have been permitted on the reservoir.
- Staff is piping and installing a trial alum feed pump.

### Instrumentation/IT:

- Staff has resolved the D16 and D17 pump alarms.
- Staff is working with Richmond Telecom to schedule and install our new phone system shared with the SCWWA.
- Basin 7 and Filter 17 and 22 actuators are being replaced due to wear.
- Staff is installing communications and a VFD on the trial alum pump.
- Arranging for the calibration of the ARWA billing meters

### Laboratory:

- Staff is evaluation the Laboratory Services Proposals received on March 3<sup>rd</sup> from the ARWA/SCWWA RFP.

- Completing the ARWA CCR for submittal to VDH and then circulation to our members.
- VDH confirmed Bin 1 classification after LT2 testing. The ARWA remains at requiring a 3 log inactivation.

**Financial Status Report:**

Following is the Executive Summary of the Monthly Financial Statement that includes the YTD Budget Performance and the Financial Statement for February 2017.

Appomattox River Water Authority  
Monthly Financial Statements-February 2017

Water Rate Center

Revenues and Expenses Summary

<i>Budget</i>	<i>Budget</i>	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
<i>FY 16/17</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	\$ 10,178,754	\$ 5,089,377	\$ 5,273,757	\$ 184,380	3.62%
Rent Income	\$ 80,000	\$ 53,333	\$ 37,741	\$ (15,592)	-29.24%
Misc. Revenue	\$ -	\$ -	\$ 105,487	\$ 105,487	#DIV/0!
<b>Total Operating Revenues</b>	<b>\$ 10,258,754</b>	<b>\$ 5,142,710</b>	<b>\$ 5,416,986</b>	<b>\$ 274,275</b>	<b>5.33%</b>

**Expenses**

Personnel Cost	\$ 2,233,400	\$ 1,488,933	\$ 1,457,369	\$ (31,564)	-2.12%
Contractual/Professional Services	\$ 806,000	\$ 537,333	\$ 579,933	\$ 42,600	7.93%
Utilities	\$ 803,000	\$ 535,333	\$ 548,099	\$ 12,766	2.38%
Communication	\$ 29,500	\$ 19,667	\$ 26,310	\$ 6,643	33.78%
Office/Lab/Purification Supplies	\$ 94,500	\$ 63,000	\$ 70,380	\$ 7,380	11.71%
Insurance	\$ 90,000	\$ 60,000	\$ 91,150	\$ 31,150	51.92%
Lease/Rental Equipment	\$ 7,500	\$ 5,000	\$ 33,505	\$ 28,505	570.10%
Travel/Training/Dues	\$ 46,400	\$ 30,933	\$ 21,050	\$ (9,883)	-31.95%
Safety/Uniforms	\$ 22,000	\$ 14,667	\$ 17,226	\$ 2,560	17.45%
Chemicals	\$ 2,200,000	\$ 1,466,667	\$ 1,387,987	\$ (78,680)	-5.36%
Repair/Maintenance Parts & Supplies	\$ 230,000	\$ 153,333	\$ 125,734	\$ (27,599)	-18.00%
<b>Total Operating Expenses</b>	<b>\$ 6,562,300</b>	<b>\$ 4,374,867</b>	<b>\$ 4,358,744</b>	<b>\$ (16,122)</b>	<b>-0.37%</b>
<b>Operating Suplus/(Deficit)</b>	<b>\$ 3,696,454</b>	<b>\$ 767,843</b>	<b>\$ 1,058,241</b>	<b>\$ 290,398</b>	<b>37.82%</b>

**Replacement Outlay Budget vs. Actual**

Machinery & Motors	\$ 285,000	\$ 190,000	\$ 217,600	\$ 27,600	14.53%
Instrumentation	\$ -	\$ -	\$ 13,596	\$ 13,596	#DIV/0!
SCADA	\$ 175,000	\$ 116,668	\$ 97,266	\$ (19,402)	-16.63%
Computer Equipment	\$ 20,000	\$ 13,332	\$ 10,453	\$ (2,879)	-21.60%
Motor Vehicles	\$ 25,000	\$ 16,664	\$ 5,957	\$ (10,707)	-64.25%
Flocculation Basins	\$ 50,000	\$ 33,332	\$ 28,775	\$ (4,557)	-13.67%
Valve Replacement	\$ 100,000	\$ 66,667	\$ 69,363	\$ 2,696	4.04%
Warehouse Racks & Shelving	\$ 50,000	\$ 33,333	\$ 26,231	\$ (7,103)	-21.31%
Concrete	\$ 50,000	\$ 33,333	\$ -	\$ (33,333)	-100.00%
Pre-Chem Boiler	\$ 40,000	\$ 26,667	\$ 27,500	\$ 833	3.12%
Off-Site Reservoir	\$ 300,000	\$ 200,000	\$ 21,812	\$ (178,188)	-89.09%
Reservoir Storage	\$ 200,000	\$ 133,333	\$ -	\$ (133,333)	-100.00%
Lime Feed Improvements	\$ 457,415	\$ 304,943	\$ 415,694	\$ 110,751	36.32%
Phone System	\$ -	\$ -	\$ 14,148	\$ 14,148	#DIV/0!
<b>Total Capital Outlay</b>	<b>\$ 1,752,415</b>	<b>\$ 1,168,273</b>	<b>\$ 948,395</b>	<b>\$ (219,878)</b>	<b>-18.82%</b>

**Debt Service Budget vs. Actual**

Interest Income	\$ -	\$ -	\$ 44,678	\$ 44,678	#DIV/0!
Interest Jurisdictions (Income)	\$ -	\$ -	\$ -	\$ -	#DIV/0!
Interest Expense	\$ -	\$ -	\$ 260,616	\$ 260,616	#DIV/0!
Principal Payments	\$ 2,037,240	\$ 2,037,240	\$ 1,031,300	\$ (1,005,940)	-49.38%

## Appomattox River Water Authority-Balance Sheet

For Month Ending February 28, 2017

### Assets

#### Current Assets

Petty Cash	\$	400
SunTrust Operating Fund	\$	1,708,736
SunTrust Replacement Fund	\$	-
<b>Total Unrestricted Cash</b>	<b>\$</b>	<b>1,709,136</b>

Water Revenue	\$	3,832,463
Reserve Account	\$	1,738,567
Replacement Account	\$	259,944
Debt Service Reserve	\$	1,547,952
Bond Principal/Interest	\$	275,973
<b>Total Restricted Cash</b>	<b>\$</b>	<b>7,654,898</b>

<b>Total Checking/Savings</b>	<b>\$</b>	<b>9,364,034</b>
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Accounts Receivable	\$	-
Other Current Assets	\$	856
Inventory	\$	358,541

<b>Total Current Assets</b>	<b>\$</b>	<b>9,723,431</b>
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#### Fixed Assets

Land and Land Rights	\$	1,044,167
Water System	\$	84,179,582
Equipment	\$	1,055,242
Hydro	\$	34,873
Construction in Progress	\$	64,940
Accumulated Amortization	\$	(31,386)
Accumulated Depreciation	\$	(41,906,838)
<b>Total Fixed Assets</b>	<b>\$</b>	<b>44,440,579</b>

**Total Fixed Assets**

#### Other Assets

Pension	\$	295,870
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<b>Total Assets</b>	<b>\$</b>	<b>54,459,880</b>
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### Liabilities & Equity

#### Current Liabilities

Accounts Payable	\$	74,634
Retainage Payable	\$	1,721
Accrued Interest Payable	\$	130,308
<b>Total Current Liabilities</b>	<b>\$</b>	<b>206,663</b>

**Total Current Liabilities**

#### Long Term Liabilities

Pension	\$	238,787
Bonds Payable-2010	\$	8,209,985
Bonds Payable-2012	\$	2,815,000
Accrued Leave Payable	\$	156,919
Post Employment Benefit	\$	65,000
<b>Total Long-Term Liabilities</b>	<b>\$</b>	<b>11,485,690</b>

**Total Long-Term Liabilities**

<b>Total Liabilities</b>	<b>\$</b>	<b>11,692,353</b>
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### Equity

Retained Earnings	\$	(3,968,954)
Reserve for Operations	\$	3,273,180
Reserve for Water Revenue	\$	6,780,931
Reserve for Replacements	\$	500,000
Reserve for Bond Interest	\$	130,308
Reserve for Debt Service	\$	1,532,664
Reserve for Bond Principal	\$	1,031,300
Reserve for Reserve	\$	1,209,895
Fixed Assets, Net of Debt	\$	32,384,295

Net Income	\$	(106,092)
<b>Total Equity</b>	<b>\$</b>	<b>42,767,527</b>

**Total Equity**

<b>Total Liabilities &amp; Equity</b>	<b>\$</b>	<b>54,459,880</b>
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**7. Items from Counsel**

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

**9. Adjourn**