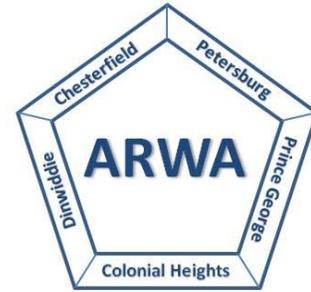


Appomattox
River
Water
Authority



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

Appomattox River Water Authority
Board of Directors Meeting

DATE: June 14, 2018

TIME: 2:00 PM

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

AGENDA

1. Call to Order/Roll Call
2. Approval of Minutes: Minutes of the Regular Board Meeting on May 17, 2018
3. Public Comment
4. Executive Director's Report:
 - Reservoir Status Update for May/June 2018
 - July 1, 2018 to December 31, 2018 Work Plan Summary/Update
 - Status Report: Ongoing Projects/Operational/Financials
5. Items from Counsel:
 - Status of Updated Service Agreement & Fourth Amendment to the Service Agreement
 - Resolution Authorizing the Executive Director to Provide Emergency Services to Non-Participating Jurisdictions in the Event of a Local Water Emergency
6. Other Items from Board Members/Staff Not on Agenda:
 - Discussion of Need for a Special Meeting on July 19, 2018 for Final Presentation of Raftelis Preliminary Valuation of Water System Assets and Review of Governance & Ownership Alternatives Report
7. Closed Session
8. Adjourn

Cc: W. Dupler/George Hayes, Chesterfield
L. Lyons, Petersburg
W. Henley, Colonial Heights
F. Haltom, Prince George
R. Wilson, Dinwiddie Water Authority
A. Anderson, McGuire Woods

1. Call to Order/Roll Call

2. Approval of Minutes: Minutes of the Regular Board Meeting on May 17, 2018.

Following are the Minutes of the Regular Board Meeting on May 17, 2018.

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

BOARD OF DIRECTORS MEETING

Appomattox River Water Authority

May 17, 2018 at 2:00 p.m.

**Location: Appomattox River Water Authority
21300 Chesdin Road, South Chesterfield, Virginia 23803**

PRESENT:

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

ABSENT:

William Henley, (Alternate, Colonial Heights)
William Dupler, (Alternate, Chesterfield)

STAFF:

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

OTHERS:

Keith Boswell, CEO, Virginia's Gateway Region
Heather Barrar, (FOLAR)
Wendy Austin, (FOLAR)
Mike Golden, (FOLAR)

Mr. Ashcraft, Chairman, called the meeting to order at 2:01 p.m.

1. Call to Order/Roll Call.

The roll was called.

Mr. Ashcraft introduced Frank Haltom, who is the new Director of Utilities in Prince George County.

2. Approval of Minutes: Minutes of the Regular Meeting of the Board on March 15, 2018 and the Special Board Meeting on April 26, 2018

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

RESOLVED, that the minutes of the Regular Meeting of the Board on March 15, 2018 and the Special Board Meeting on April 26, 2018 are hereby approved as amended:

For: 5 Against: 0 Abstain: 0

Dr. Casey stated it's documented in the minutes now about the Hopewell need for water with VA WARN as maybe a reciprocal way to utilize that. He further stated he talked to Marsh Altman of Hopewell and they are not part of WARN. He believes in trying to serve Hopewell, but we need to follow the rules. He stated we need to encourage them or others in our area to become members of VA WARN during an emergency. He stated the minutes made it appear that we could go under the WARN umbrella to provide such service. He just wanted to clarify that we didn't have that authority under WARN. Dr. Wichser stated ARWA has invoiced Virginia American Water one-hundred dollars, which covered the cost of water provided. Dr. Casey stated he doesn't want to see us get caught in a service that legally we are not allowed to. Dr. Wichser requested that he would like direction from the Board should an emergency event such as this happen again; would the Board want ARWA to react with immediate goodwill support to their utility neighbors in a public health emergency. Mr. Ashcraft asked if we had the legal right to help and Mr. Anderson stated he would like to defer the question until the next Board meeting and if a resolution is required one will be developed.

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

There were no public comments.

4. Presentation by the Friends of the Lower Appomattox River

Dr. Wichser introduced Heather Barrar, Mike Golden and Wendy Austin, members of the Friends of the Lower Appomattox River, who gave a presentation on the walkways and trails along the Appomattox River.

5. Executive Director's Report:

- **Reservoir Status Update for April/May 2018**

Dr. Wichser reported on the Reservoir Status Update for April/May 2018. He stated the hydro facility has been running at maximum output and the cone valve is open to freshen the bottom of the reservoir. He further stated that we presently have six inches of water going over the dam.

- **Seasonal Chesdin Water Wise Conservation Measures**

Dr. Wichser reported on the Seasonal Chesdin Water Wise Conservation Measures. Dr. Casey stated the only clarification he wanted was the word “voluntary”. He further stated it was changed last year and would like to repeat the past and Dr. Wichser stated ARWA would make any edits suggested.

- **Status Reports: Ongoing Projects, Operational and Financial**

Mr. Gordon reported on the Status Reports of Ongoing Projects, Operational and Financial.

6. Approval of Proposed Fiscal Year 2018-2019 Budget Option

Dr. Wichser reported on the Proposed Fiscal Year 2018-2019 Budget Options. He stated a proposed budget was presented to the Board in January 2018. He further stated that Option “A” was presented in January and publicly advertised twice in March. He further stated that because of additional funds remaining from the “In-Plant” project bid, we developed Options “B” and also provided Option “C” provided by Chesterfield County. He stated there were no problems expected as far as Bank issues with Options “A” and “B”. He further stated that Option “C”, Chesterfield County’s recommendation received April 27, 2018, as reviewed by both Davenport and McGuireWoods in discussion with the Bank, would require loan document amendments and bank consent. He further stated that Staff recommends that the Board approve and adopt Budget Option “B”, however, Option “A” and Option “C” are at the Board’s discretion.

Dr. Casey stated one question before us is the assumption that we have unidentifiable projects and he asked what the projects are. Dr. Wichser provided a hand-out with additional projects for consideration with planning level cost estimates: 1) replace finished water pump station No. 2 motors/pumps on pumps 16 and 17 if determined to be needed; 2) new Hypochlorite Tank; 3) install a roof on the chemical tank farm; 4) clearwell No. 2 – new membrane cover; (5) single pane 1967 window replacement and, 6) PLC and Software upgrades. He further reported that the planning level total cost on these additional projects would be \$2,010,000 leaving \$223,469 in reserve. Mr. Smith asked about the software upgrade, and Dr. Wichser replied it could be within the next thirty months. Mr. Gordon stated the IT system administrator specifically talked about the rapid mix and the ammonia PLCs being a bottle neck and are important and that they are coming up on fifteen to twenty years old. He further stated the software piece would actually allow our staff to better manage programming functions in-house as opposed to going out and bringing in vendors. Mr. Massengill asked how this would normally be addressed in the budget process. Dr. Wichser stated these items are normally addressed in our capital replacement plans. He further stated that we normally begin meeting with our maintenance/operations staff to start the next year budget planning in August, September and October. He stated we would then review the pros and cons of what is needed, so these items would end up in the proposed annual budget. He stated in November, we meet with the Utility Directors presenting the proposed budget while discussing the need for and types of projects. Mr. Massengill stated the next large CIP project is identified for years 20/21 and Dr. Wichser stated the next major potentially regulatory driven project would be for a powder activated carbon project. Mr. Massengill asked the dollar figure on this project and Dr. Wichser replied \$2.5 million which is an estimate. Dr. Wichser stated that he wanted to also remind the Board that in the 2023-2025 era, there is the potential for a major capital upgrade project for the wastewater plant that is going to be extremely costly, and in 2023 there will be potentially a regulatory mandate on upgrading SCWWA for nitrogen removal. Dr. Casey stated he appreciated Staff putting the list together. He further stated he is comfortable with Option “B” as there are plenty of projects to talk about in the future.

Mr. Ashcraft stated he wanted everyone to understand the FY 2018-19 increases for localities from Option “B” to Option “C”. He asked if Option “C” provided less contribution from the localities and Dr. Wichser replied correct. Mr. Ashcraft asked if the lending institutions had approved this, and Mr. Anderson replied we have reached out to them. He further stated he expects administrative costs of approximately \$5,000-\$6,000 and the Bank would want a Resolution from the Board. Mr. Anderson stated Option “B” does not require any amendments to the existing 2017 Bond. Dr. Casey asked Dr. Wichser what is the date of the perspective project that we are dealing with, what contingency is left or not left and Dr. Wichser replied we could be looking at seven to twelve months on the actual construction start of the “In-Plant” project due to the manufacture and arrival of specific equipment. He stated contractors are restricted in the summer months during high water demand in doing a lot of the work and unrestricted in December, January, February and March during low demand times. Dr. Casey stated it’s almost a continuation of this topic and doesn’t change the rates you need to charge. He further stated Option “B” would be the rate versus the Option “C”, but has the next budget process define this balance better for a project recommended to start July 1, 2019. He stated we don’t have to bring closure to this topic with Option “B” and Option “C” now, we may pivot to a “C” type mode but it would be part of next year’s rate setting. Mr. Smith stated he supported Dr. Casey’s comment on getting Utility Directors together to review at the next Budget review in November.

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

RESOLVED, that the Board approves the Amendment adoption of Budget Option “B” with the residual balance that’s tentatively identified to be further discussed as part of the 2019/2020 Budget process:

For: 5 Against: 0 Abstain: 0

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

RESOLVED, that the Board approves and adopts Budget Option “B”:

For: 5 Against: 0 Abstain: 0

Dr. Casey stated the five-year capital improvement program is an informational item and not part of the adoption.

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

Dr. Wichser introduced Ms. Wilkins who gave a presentation of the Transitioning to the Commonwealth of Virginia VRS 457 Compensation Plan. She explained that both Authorities offer the employees as part of their benefit package that they are allowed to contribute towards the Nationwide provided 457 Plan, and there is no cash match from either Authority. She further explained we do this as a pre-tax payroll deduction. Ms. Wilkins explained that she, Dr. Wichser and Mr. Gordon recently did an in-depth analysis of the Nationwide portfolio performance, and found the costs are relatively high to the individual employee, not only the management fees but the quarterly fees based on Nationwide’s portfolio of choice. They decided to reach out to VRS and take advantage of their 457, which is currently managed by ICMARC. She stated that they found their overall portfolio not only is wider in options, so that the individual has a better choice of where they would like their dollars invested, but also their management and quarterly fees are significantly less than those of Nationwide. She stated we would like for the Board to consider approving the Executive Director to undertake notice and termination of the Authorities current agreement with Nationwide as the provider for the 457 program, and also authorize the Chairman of the Board to sign the attached Resolution that would allow us to offer the Commonwealth of Virginia’s VRS 457 Deferred Compensation Plan to the employees at both Authorities. Mr. Anderson stated there would be separate resolutions for the Authorities. Mr. Ashcraft asked if the rollover from Nationwide to VRS would be seamless and no cost to the Authorities and Ms. Wilkins stated correct. She further stated if it’s adopted starting July 1, the employees can start contributing to the new VRS 457 Plan, which may take a month later than that for the rollover to occur because we have to put Nationwide on notice which could take sixty to ninety days so the rollover could take a little longer. Ms. Wilkins stated the main reason that we did not choose a fund that would open it up where the individual could make their own choices as that would potentially increase the fiduciary liability of the Authority. Mr. Smith asked if there were administrative costs that the Authority pays for posting the plan and Ms. Wilkins replied there is no cost to the Authority. Mr. Smith asked if this gave them a matching opportunity and Ms. Wilkins replied the Authority does not currently match, only for the Hybrid employees. Mr. Massengill asked what percentage of the work force has the 457 and Ms. Wilkins replied 70% of SCWWA employees invest and 30% at ARWA.

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

RESOLVED, that the Board approves the Executive Director to undertake notice and termination of the Authorities current agreement with Nationwide as the provider for the 457 Deferred Compensation Plan and to subsequently roll-over the program into the Commonwealth of Virginia’s 457 Deferred Compensation Plan. Staff requests that the Chairman execute the Resolution:

For: 5 Against: 0 Abstain: 0

8. Items from Counsel

There were no Items from Counsel.

9. Closed Session

There was no Closed Session.

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

Mr. Smith welcomed Keith Boswell, Gateway Region Economic Development Organization.

Mr. Ashcraft reminded Board members of the annual evaluation of the Executive Director coming up. He stated members would be notified within the next couple of weeks for comments and this will be discussed at the June meeting.

11. Adjourn

Upon a motion made by Mr. Massengill and seconded by Dr. Casey the meeting was adjourned at 3:30 p.m.

The next Regular Meeting is scheduled for Thursday, June 14, 2018 at 2:00 p.m. at the Appomattox River Water Authority.

MINUTES APPROVED BY:

Kevin Massengill
Secretary/Treasurer

3. Public Comment

The Guidelines for Public Comment are:

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

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

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

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

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

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

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

4. Executive Director's Report:

- **Reservoir Status Update for May/June 2018**

- **July 1, 2018 to December 31, 2018 Work Plan Summary/Update**

Following for your review is the Executive Level Strategic Work Plan Summary/Update for the Appomattox River Water Authority.

Appomattox River Water Authority

Executive Level Strategic Work Plan Summary/Update

January 1, 2018 to June 30, 2018

UPDATE: July 1, 2018 to December 31, 2018

Purpose: Provide the Appomattox River Water Authority with a plan to ensure ongoing reliable service to Authority members.

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

Overarching Goal: The Authority will continue to expand as needed, operating and maintaining the water system in an efficient and economical manner consistent with good business, engineering and operating practices.

The Authority will provide safe, reliable drinking water meeting or exceeding the Safe Drinking Water Act regulation standards.

Capital Projects:

1. **Off-site Alternative Raw Water Supply Source ON-HOLD based on Board request**

In-Plant Capital Projects:

1. February 2017: Issue RFP for Engineering Services towards the In-Plant upgrade project: Engineer of Record selected, presently in preliminary design on In-Plant Project upgrade. This project held a kick-off meeting on June 19th. Expect to advertise for project equipment procurement by September 2017 with design finished by mid-November 2017.
Final Design completed. Pre-Purchase of all project Pumps out for bid. Prequalification Process to be presented at January 18, 2018 Board Meeting. Expect construction bidding phase to occur from March to early April with contractor construction contract award at Special Board Meeting on April 26, 2018. Project construction phase expected to begin on April 27, 2018.
Update: This phase of the project is COMPLETE.
2. November/December: Hire Contractor: Most likely this time line will be February/March 2018.
Update: Expected bidding phase: March to early April 2018. Expected contractor construction contract award on April 27, 2018. COMPLETED: Construction contract awarded in April and signed in May with MEB General Contractors.
3. December/January 2018: Contractor mobilizes: Most likely this time line will be March/April 2018.
Update: In-Plant Project construction phase: June 2018-December 2019. Notice to proceed issued early June 2018.

Administration:

Develop and advertise need for a utility rate study RFP, hire consultant and complete utility rate study by June 30, 2019.

1. January-May 2018: Develop, present, defend and issue a public notice on the proposed 2018/19 Operations & Maintenance Budget including Capital Projects: **Completed**
2. August 1, 2018-December 31, 2018: Working with department managers and Assistant Director to develop 2019/2020 operating and replacement budgets, and present to member engineers in November 2018 for review and comments.
3. Pursue resolution on Commonwealth of Virginia matching \$5M grant: Phase 1, Step 1 of Dam Raise Project underway and Phase 1, Step 2 of project to be discussed with ARWA Board on July 20, 2017.
Update: Based on Subcommittee recommendation, narrative in grant funding will be requested to be amended by the General Assembly committee to reflect funding two bridge replacements as required as part of the dam raise project.
As requested by the Board of Directors, this activity has been placed on inactivity status at this time based on technical analysis on future raw water needs.
4. Continue to pursue adoption of Amended and Restated Unified Water Service Agreement: Amendment Four to the Water Service Agreement was developed and presented to the ARWA Board on May 18, 2017 and adopted for their respective Supervisors/Council members for approval.
Update: Three ARWA Member Governments have approved Amendment Four and the Board will continue to consider full member approval based on acceptance of additional edits provided by the ARWA membership. The Water Service Agreement has been re-edited numerous times (over twenty drafts), reviewed and discussed in-depth with the member utility engineers and is available for Board review and approval at their discretion.

Safety Related Projects: Upgrade to pipe gallery infrastructure access for Operator and Maintenance personnel access. This project will be complete by September 2018.

- **Virginia Water Protection Permit:** No activity at this time
- **Virginia Pollution and Discharge Elimination System Permit (VPDES):**
 - Development of renewal ARWA VPDES permit application to be submitted to VA-DEQ for review, approval and issuance of permit limits: The Permit full renewal package was submitted to VA-DEQ in April. Numerous phone calls and meetings both on-site and at VA-DEQ have occurred related to the ARWA discharge permit. The draft VPDES permit was issued for our review and consideration on January 10, 2018.
Update: Receipt of the approved final VPDES permit was received on April 18, 2018. This permit covers ARWA from May 1, 2018 until April 30, 2023.

VPDES Permit Action Item to be completed:

The ARWA is requested to submit to the DEQ Piedmont Regional Office a revised Groundwater Quality Monitoring (GQM) Plan. The revised GQM Plan shall include:

- (1) A site plan identifying all groundwater monitoring well locations (including any proposed wells to replace current wells), which may yield samples representative of actual aquifer conditions.

(2) Well installation information, depth to screened intervals, boring logs, and other geotechnical information including a description of site geology and hydrology (i.e., potentiometric surface map) that supports the current (or proposed) monitoring well locations and installation depths.

(3) An updated groundwater monitoring constituent list. Constituents included on this sampling list should be based on an evaluation of the liquids and solids entering the monitored units. The evaluation shall be submitted under separate cover and be based upon the sampling and process information of both liquids and solids entering the unit. Once an updated sampling list has been finalized, all future analytical results for any metals on the constituent list shall be provided in the form of total recoverable inorganics. The samples shall not be filtered in the field prior to analysis, and shall be sampled in accordance with an approved method under EPA's SW-846.

(4) An updated methodology for comparing the analytical results of each sampling event against applicable groundwater protection standards set in this permit or the GQM Plan. This statistical analysis shall be performed by the permittee after each groundwater sampling event and shall be consistent with the approved method described in the GQM Plan.

The purpose of this plan is to determine if the system integrity is being maintained at the monitored unit boundary and to indicate if activities at the site are resulting in violations of the Board's Groundwater Standards. The approved plan is an enforceable part of the permit. Any changes to the plan must be submitted for approval to the DEQ Piedmont Regional Office and such plan must be amended or updated when requested by the DEQ Piedmont Regional Office or when new information or data requires amendment of the plan.

ARWA will be working with consultant hydrogeologists to develop a technically justified Groundwater Monitoring Plan to be submitted to VA-DEQ as required by the VPDES permit. *The groundwater chemistry results on future groundwater monitoring related to the two process waste lagoons has the potential to lead to a capital upgrade project.*

Facility Instrumentation/SCADA Upgrades (July 1, 2018-December 31, 2019): Continue the work of upgrading the filter gallery HMIs. This project will continue into 2019.

Facility Process Chemicals: November/December 2018-Issue annual IFB on all process chemicals

Additional Process Chemical Item: Completed a four month review and discussion with chlorine dioxide supplier by developing a three year contract with an annual three year price drop.

Update: *Three year contract with an annual three year price drop for ARWA has been completed.*

Maintenance Warehouse/Computerized Purchasing: Complete inventory by August 2018 in order for annual accounting audit to be complete by October 2018.

New Item: Schedule with Chesterfield University a two day (February 12 & 13, 2018) "Exemplary Leadership" course for all ARWA Managers and Supervisors. This course will address the five practices of exemplary leadership using the Leadership Challenge Model.

Update: *This training activity has been completed.*

On-Going Department Goals

Administration/Warehouse:

- Implement inventory control processes and procedures so that "Cycle Counts" of inventories can be performed throughout the year.

Update: Continues to be underway

Maintenance Department:

- Complete mechanical/electrical training for employees as needed
- Maintain schedule on preventive maintenance activities
- Ensure effective and rapid response on corrective actions towards equipment failures
- Maintain parts and equipment inventory in a cost effective manner

Laboratory Department:

- Maintain Member's Safe Drinking Water Act/VDH analytical (THM/HAA) testing requirements
- Maintain Member's Safe Drinking Water Act/VDH bacterial testing requirements
- Maintain ARWA VDH process analytical testing requirements

Operations Department:

- Maintain water plant production at all times to meet member demands
- Maintain finished water quality to meet all Safe Drinking Water Act/VDH regulatory requirements
- Ensure all Operators maintain DPOR required annual training requirements
- Ensure all Operators continue to strive for Class 1 Waterworks Operator license
- Maintain Water Product Facility in a clean and orderly manner

IT/Instrumentation Office:

- Ensure all process instrumentation is functional and accurate
- Ensure the Supervisory Control and Data Acquisition System is functioning to enable Operations Department to operate the process control equipment
- July 1, 2018 to December 31, 2018: Under Design replacement of 1960's instrument equipment with 2018/19 HMI screens and connection into SCADA. Project expected to be complete by July 2019.

Update: HMI Upgrade project presently underway with instrumentation consultant completing HMI equipment installation. Project expected to be installed and completed by late 2019.

- **Status Reports: Ongoing Projects, Operational, and Financial**

Following are status reports concerning the Ongoing Projects, 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: June 14, 2018

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

In-Plant Capital Projects:

- Preconstruction meeting took place on May 16, 2018. Notice to Proceed date is June 18, 2018.
- The generator, as well as finished water and raw water pumps are on order from ARWA.
- Contractor will submit a project schedule this week.
- We are in the process of review shop drawings as the Contractor receives them from the vendors.

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: June 14, 2018

Operating Status Report

General:

- The next scheduled Board of Directors Meeting is Thursday July 19, 2018 at the Appomattox River Water Authority at 2:00 pm.
- The Authority hired a new assistant operator to fill an open assistant operator position
- Performance reviews have been received by management and are being reviewed.
- Work continues on transitioning to the new 457 program.
- The new safety platforms in the pipe gallery are being installed.
- Quotes to perform pulmonary testing and fit testing for those employees who may need to wear respirators are being received and evaluated. This will be set up to cover both Authorities

Operations:

- Finished water met all permit requirements for the month of May. Copies of the VDH monitoring reports are available if anyone would like to see them.
- The new alum pumps have been successfully tested. The gravity feed alum tank has been drained with this additional backup in place.
- The new inline monitors for the finished water will be in this week. Once installed in FWPS2 the water lines will be connected and we will begin to transition to these monitors. These are currently in FWPS1 and are being moved in preparation for the FWPS1 upgrade.

Maintenance:

- The ARWA is currently having issues with FWPS pumps 16 and 17 and RWPS pump 21. P17 and P21 are currently being repaired. P16 will be addressed when the contractor to review the VFD programming is onsite.
- The divers were onsite for the annual inspections. For the most part everything looks good. The only thing mentioned was the old bar screen that is underwater at the RWPS1 intake. This is original from 1966 and we are pricing a replacement.
- Staff in coordination with IT are moving the online turbidimeters for the safety platform installation.

Instrumentation/IT:

- Staff is investigating an alarm relay to the SCADA for the lime feed system air compressor.

Laboratory:

- The ARWA/SCWWA Lab Manager is leaving the Authorities on June 8th. The Supervisors are currently taking on the additional responsibilities.
- Proficiency Testing (PT) was completed and evaluation of the results is ongoing.

Financial Status Report:

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

Appomattox River Water Authority-Balance Sheet
For Month Ending May 31, 2018

Assets

Current Assets

Petty Cash	\$	400
SunTrust Operating Fund	\$	1,515,903
SunTrust Replacement Fund	\$	-
Total Unrestricted Cash	\$	1,516,303

Water Revenue	\$	4,680,198
Reserve Account	\$	2,595,073
Replacement Account	\$	828,126
Debt Service Reserve	\$	1,066,426
Bond Principal/Interest	\$	818,297
Bond Construction	\$	12,949,126
Total Restricted Cash	\$	22,937,246

Total Checking/Savings \$ 24,453,549

Accounts Receivable	\$	100
Other Current Assets	\$	92,875
Inventory	\$	131,470

Total Current Assets \$ 24,677,994

Fixed Assets

Land and Land Rights	\$	1,090,685
Water System	\$	85,248,334
Equipment	\$	1,094,840
Hydro	\$	34,873
Construction in Progress	\$	58,725
Accumulated Amortization	\$	(32,780)
Accumulated Depreciation	\$	(44,469,352)
Total Fixed Assets	\$	43,025,324

Other Assets

Pension	\$	322,971
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Total Assets

\$ 68,026,289

Liabilities & Equity

Current Liabilities

Accounts Payable	\$	133,530
Retainage Payable	\$	-
Accrued Interest Payable	\$	120,374

Total Current Liabilities \$ 253,904

Long Term Liabilities

Pension	\$	326,043
Bonds Payable-2010	\$	7,820,000
Bonds Payable-2012	\$	2,597,000
Bonds Payable-2017	\$	13,500,000
Accrued Leave Payable	\$	170,612
Post Employment Benefit	\$	63,300

Total Long-Term Liabilities \$ 24,476,955

Total Liabilities

\$ 24,730,859

Equity

Retained Earnings	\$	(3,504,941)
Reserve for Operations	\$	3,068,942
Reserve for Water Revenue	\$	7,626,208
Reserve for Replacements	\$	500,000
Reserve for Bond Interest	\$	120,374
Reserve for Debt Service	\$	1,066,426
Reserve for Bond Principal	\$	598,000
Reserve for Reserve	\$	1,852,301
Fixed Assets, Net of Debt	\$	32,010,323

Net Income \$ (42,202)

Total Equity \$ 43,295,430

Total Liabilities & Equity

\$ 68,026,289

Appomattox River Water Authority
YTD Income Statement for the period ending May 31, 2018

Water Rate Center

Revenues and Expenses Summary

<i>Budget</i>	<i>Budget</i>	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
<i>FY 17/18</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	\$ 9,649,733	\$ 7,237,300	\$ 7,404,760	\$ 167,460	2.31%
Rent Income	\$ -	\$ -	\$ 558	\$ 558	#DIV/0!
Misc. Revenue	\$ 32,490	\$ 29,783	\$ 2,210	\$ (27,573)	-92.58%
Total Operating Revenues	\$ 9,682,223	\$ 7,267,082	\$ 7,407,527	\$ 140,445	1.93%

Expenses

Personnel Cost	\$ 2,240,100	\$ 2,053,418	\$ 2,007,412	\$ (46,006)	-2.24%
Contractual/Professional Services	\$ 809,200	\$ 741,775	\$ 997,473	\$ 255,699	34.47%
Utilities	\$ 798,000	\$ 731,500	\$ 708,125	\$ (23,375)	-3.20%
Communication/Postal/Freight	\$ 32,200	\$ 29,517	\$ 36,565	\$ 7,048	23.88%
Office/Lab/Purification Supplies	\$ 96,500	\$ 88,458	\$ 89,411	\$ 953	1.08%
Insurance	\$ 90,000	\$ 90,000	\$ 84,840	\$ (5,160)	-5.73%
Lease/Rental Equipment	\$ 20,000	\$ 18,333	\$ 11,447	\$ (6,886)	-37.56%
Travel/Training/Dues	\$ 46,400	\$ 42,533	\$ 33,205	\$ (9,328)	-21.93%
Safety/Uniforms	\$ 22,000	\$ 20,167	\$ 19,268	\$ (899)	-4.46%
Chemicals	\$ 2,200,000	\$ 2,016,667	\$ 1,727,059	\$ (289,608)	-14.36%
Repair/Maintenance Parts & Supplies	\$ 425,000	\$ 389,583	\$ 280,131	\$ (109,452)	-28.09%
Total Operating Expenses	\$ 6,779,400	\$ 6,221,951	\$ 5,994,937	\$ (227,014)	-3.65%
Operating Surplus/(Deficit)	\$ 2,902,823	\$ 1,045,131	\$ 1,412,590	\$ 367,460	35.16%

Replacement Outlay Budget vs. Actual

Machinery & Motors	\$ 125,000	\$ 114,583	\$ 83,855	\$ (30,728)	-26.82%
Instrumentation	\$ 86,000	\$ 78,833	\$ 44,258	\$ (34,575)	-43.86%
SCADA	\$ 230,000	\$ 210,833	\$ 154,698	\$ (56,135)	-26.63%
Computer Equipment	\$ 10,000	\$ 9,167	\$ 8,720	\$ (446)	-4.87%
Furniture/Fixtures	\$ -	\$ -	\$ -	\$ -	#DIV/0!
Motor Vehicles	\$ -	\$ -	\$ -	\$ -	#DIV/0!
Flocculation Basins	\$ -	\$ -	\$ 20,000	\$ 20,000	#DIV/0!
Valve Replacement	\$ 100,000	\$ 91,667	\$ 2,665	\$ (89,002)	-97.09%
Warehouse Racks & Shelving	\$ -	\$ -	\$ -	\$ -	#DIV/0!
Concrete	\$ 50,000	\$ 45,833	\$ -	\$ (45,833)	-100.00%
Pre-Chem Boiler	\$ -	\$ -	\$ -	\$ -	#DIV/0!
Off-Site Reservoir	\$ 250,000	\$ 229,167	\$ -	\$ (229,167)	-100.00%
Reservoir Storage	\$ -	\$ -	\$ 61,055	\$ 61,055	#DIV/0!
Lime Feed Improvements	\$ -	\$ -	\$ -	\$ -	#DIV/0!
In-Plant Capital Upgrade	\$ 600,000	\$ 550,000	\$ 576,697	\$ 26,697	4.85%
Repair and Replace Shafts	\$ -	\$ -	\$ 74,160	\$ 74,160	#DIV/0!
Replacement-Other	\$ -	\$ -	\$ 14,210	\$ 14,210	#DIV/0!
Total Capital Outlay	\$ 1,451,000	\$ 1,330,083	\$ 1,040,319	\$ (289,764)	-21.79%

Debt Service Budget vs. Actual

Interest Income	\$ -	\$ -	\$ 147,942	\$ 147,942	#DIV/0!
Interest Jurisdictions (Income)	\$ -	\$ -	\$ -	\$ -	#DIV/0!
Interest Expense	\$ -	\$ -	\$ 562,776	\$ 562,776	#DIV/0!
Principal Payments	\$ 1,576,426	\$ -	\$ 598,000	\$ 598,000	#DIV/0!

**RESOLUTION OF THE APPOMATTOX RIVER WATER AUTHORITY AUTHORIZING
THE PROVISION OF POTABLE WATER TO NON-PARTICIPATING JURISDICTIONS
AND INVESTOR-OWNED UTILITIES IN THE EVENT OF A LOCAL WATER
EMERGENCY**

The Appomattox River Water Authority ("ARWA") is a public body politic and corporate created in 1960 upon agreement of the governing bodies of the County of Chesterfield, Virginia ("Chesterfield County"), the City of Colonial Heights, Virginia ("Colonial Heights"), the County of Dinwiddie, Virginia ("Dinwiddie County"), the City of Petersburg, Virginia ("Petersburg"), and the County of Prince George, Virginia ("Prince George County", and together with Chesterfield County, Colonial Heights, Dinwiddie County and Petersburg, the "Participating Jurisdictions"), 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 supply needs of the Participating Jurisdictions.

The Board of ARWA (the "Board") selects the Executive Director to serve as the chief executive officer of ARWA and be responsible for the day to day operations of ARWA.

The Board has determined that it is in the best interests of ARWA and the Participating Jurisdictions for ARWA, pursuant to the terms and conditions of this Resolution, to allow the Executive Director certain limited authority to provide potable water to any city, town, county, or authority in the Commonwealth of Virginia that is not a Participating Jurisdiction (a "Non-Participating Jurisdiction") or an investor-owned utility (an "Investor-Owned Utility") in the event of a Local Water Emergency as defined herein.

For purposes of this Resolution, a "Local Water Emergency" is defined as any natural disaster, chemical spill, construction accident, act of terrorism, vandalism, failure of water system equipment, or cross connection that causes a local water system or water supply to become contaminated, results in a water supply shortage, or interrupts the connection between the water system and customers.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF THE APPOMATTOX RIVER WATER AUTHORITY THAT:

1. Limited Authorization to the Executive Director. The Board hereby authorizes the Executive Director to provide potable water from the ARWA water treatment plant to a Non-Participating Jurisdiction or Investor-Owned Utility experiencing a Local Water Emergency. The Board hereby determines that the duration of the Executive Director's authority to provide potable water as described herein shall run from the beginning of the Local Water Emergency to the next regular, emergency, or special meeting of the Board, at which meeting the Board will determine whether and on what terms such provision of potable water will continue.

Rate Requirement. A Non-Participating Jurisdiction or Investor-Owned Utility receiving potable water pursuant to this Resolution shall be charged for the water at a rate equal to the then-current highest budgeted rate per 1000 gallons (including the operation and maintenance, debt service, replacement and reserve funding components) charged to any Participating Jurisdiction under the existing Service Agreements between the Participating Jurisdictions and ARWA (the "Existing Agreements").

Priority of Existing Agreements. The limited authority prescribed to the Executive Director described herein shall not inhibit ARWA's ability to fulfill its obligations under any Existing Agreements.

No Interference with Other Emergency Programs. Neither the authority provided under this Resolution nor the limitations imposed thereon shall interfere with ARWA's ability to provide or receive assistance under the Virginia Water/Wastewater Agency Response Network, the Virginia Statewide Mutual Aid Program, or the Emergency Management Assistance Compact.

Finding. The Board hereby finds that the authorization of the provision of potable water to a Non-Participating Jurisdiction or an Investor-Owned Utility experiencing a Local Water Emergency under the terms and conditions of this Resolution will promote the health, safety, welfare, morals and prosperity of the residents served by ARWA and ARWA's ability to serve the water supply needs of the Participating Jurisdictions and further the other governmental purposes for which ARWA was created, in part because the Board would expect reciprocal assistance should ARWA or one or more of its Participating Jurisdictions experience a Local Water Emergency.

Effective Date. This Resolution shall take effect immediately.

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

- **Discussion of Need for a Special Meeting on July 19, 2018 for Final Presentation of Raftelis Preliminary Valuation of Water System Assets and Review of Governance & Ownership Alternatives Report**

7. Closed Session

8. Adjourn