

MAURY SERVICE AUTHORITY

Minutes of the Board Meeting

Tuesday April 28, 2015

The regular monthly meeting of the Maury Service Authority Board of Directors was held in the board room of the Water Treatment Plant. In attendance were Chairman Capt. Ned Riester, Board members Mr. George Graves, Mr. John Higgins; Mr. Jimmy Carter; Mr. J.D. Goad. Also in attendance were Mr. Jerry Higgins, MSA Executive Director; Mr. Fred Schultz, Superintendent of the Wastewater Treatment Plant; Mr. Mike Kennedy, Lexington Director of Public Works; Mrs. Sandra Stuart, Rockbridge Area Conservation Council; and Mrs. Christina Shea, Lexington Utilities Processing Executive Secretary.

Regular Monthly Board Meeting

Chairman Capt. Ned Riester called the meeting to order at 5pm.

1. Approval of Minutes: Mr. Graves made the motion to approve the minutes of the March Board Meeting. Mr. Goad seconded the motion. The motion was approved unanimously.
2. Financial Report: Jerry briefly reviewed the general statements in the recently completed audit document for FY 2014. Generally the Auditor found no problems with our accounting practices and found the Authority to be in pretty good shape. Jerry was advised to go ahead and make the transfers from the operating account to the D&I account as called for in the budget. Jerry agreed to do that shortly. He then reviewed attachments that were sent out with the agenda and minutes, including the quarterly financial statements, account balances sheet and the I&I Revenue Sharing balances. He then reviewed the water and wastewater budgets as they stand now. His budget evaluation indicates that with the water budget, if the trends stay the same, our revenues will be over what we budgeted by about \$23,000 and our expenses will be above what we budgeted by about \$8,000. He added that the City of Lexington recently located several severe leaks and we should see a significant decrease in water loss in the future. On the wastewater side the revenues will be down by approximately \$51,000 and we will exceed our expenditures by about \$22,000. He noted that our wastewater revenues are directly affected by weather trends and for the most part it has been a dry year so far.
3. Correspondence: Sourcewater Protection Plan – an announcement has been distributed to those who might be interested in the particulars of the Plan. No

significant objections have been raised so far and the Planning Commission public hearing is scheduled in the near future.

Jimmy Carter brought up recent discussions regarding the Boy Scout Camp Lake Merriweather and its' affect on the Maury River. We may hear more about this in the future.

Jerry reviewed the recent correspondence from DEQ regarding financial responsibility (liability coverage) which was a requirement for \$1,000,000 available funds in case of a sewage sludge spreading problem. The last General Assembly raised the limit to \$2,000,000. This may require us to get additional help using possible partial insurance coverage. He is working with VRS on this matter.

4. Water Plant Production and Operation: Mr. Allen could not attend tonights meeting and he asked Fred Schultz to act in his stead. Fred indicated that the water demand is down slightly and the transmission system seems to be tight and leak free at the moment.
5. Wastewater Plant Operation: Fred indicated that generally things are going well at the wastewater plant.

John Higgins indicated that he received a phone call regarding the odor near the wastewater plant. The staff recognizes that the odor is bad right now but it should be a temporary problem. The odor problem should dissipate in a few weeks.

6. Rockbridge County PSA Issues: No issues were brought up at this time.
7. City of Lexington Issues: Mike Kennedy described a problem with water backing up from the construction project at VMI. The contractor has constructed what amounts to a coffer dam and the backup from rain events was putting water into the sewer. The problem is being worked on.
8. Unfinished Business:
 - A. Water Transmission Upgrade Project – there is still some work being accomplished on the loop project. Jerry met with the contractor today to review how the power and signal wires will be routed to the vault at the Enfield Pump Station to read the meter remotely.
 - B. Pipe Replacement to the Houston St. Water Tank- the surveying is now complete. Brian should have a preliminary layout ready in a few weeks. This project is subject to progress on the Participation Agreement.
 - C. Jerry mentioned that the new furniture for his office is now on order and will be installed in the next month or so.

9. New Business:

- A. Budget Approval- there was some discussion of the budget numbers that were presented to the Board last month, especially on trying to project water sales. John Higgins made a motion to accept the proposed water and wastewater budgets as presented by Jerry Higgins. Jimmy Carter seconded the motion. The motion passed. A public hearing on the proposed rate increases will be held at the Board Meeting on June 23.
- B. Draft Participation Agreement- Jerry discussed the reason for the agreement. It simply allows for avoiding changing the Articles of Incorporation for each project MSA takes on that would incur debt. John Higgins made the motion that the Board allow Jerry to bring the draft agreement to the MSA members for their comments. Jimmy Carter seconded the motion. George asked that an attempt be made to summarize the effort so that someone from the general public would understand what we are trying to do. The motion passed.

10. Other Business- Public Comment Session: Sandra Stewart mentioned that the public hearing for the Source-Water Protection Plan is scheduled for the Planning Commission meeting on May 13.

11. John Higgins made the motion to go into a closed session pursuant to Chapter 2.2-3711, Code of Virginia Paragraph (1) Discussion of employment, assignment, appointment of public employees. The motion was seconded by George Graves. The motion passed and the Board entered into Closed Session. John Higgins made the motion to end the Closed Session, George Graves seconded. The motion passed and the Board exited the Closed Session.

Chairman Riester requested a motion to certify the closed meeting. Jimmy Carter made the motion and John Higgins seconded.

Chairman Riester	Yes
Mr. John Higgins	Yes
Mr. George Graves	Yes
Mr. Jimmy Carter	Yes
Mr. J.D. Goad	Yes

12. Next MSA Board meeting: May 26, 2015

13. The meeting Adjourned at 6:30 pm.

Chairman

Executive Director

