

# Maury Service Authority

## Minutes of the Board Meeting

Tuesday July 21, 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. Jimmy Carter. Also in attendance were Jerry Higgins, MSA Ex. Director; Mr. Rick Allen, Lexington Director of Utilities Processing; Mr. Fred Schultz, Supt. of the Waste Water Treatment Plant; Mr. Noah Simon, Lexington City Manager; Mr. Mike Kennedy, Lexington Director of Public Works; Mrs. Melissa Alexander, Executive Director of the Rockbridge County PSA; Mr. Jordan Combs, Engineer; Mrs. Sandra Stuart, Rockbridge Area Conservation Council; 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 June 23, 2015 Board Meeting. Mr. Carter seconded the motion. The motion passed.
2. Financial Report: Jerry Higgins reviewed the monthly budget figures for June. This time the review is for the full fiscal year. He pointed out that we sold the City less water than we expected but we sold the PSA more water than we budgeted for. With most of the bills now paid it appears that we budgeted operating revenues to be \$1,267,156 and we actually took in \$1,328,949. On the expense side we budgeted for expenses of \$1,267,195 and with all our known bills now paid it appears we actually spent \$1,262,292.

On the waste water side, we budgeted to treat 325,379 thousand gallons and we actually treated 328,692 thousand gallons. Our revenues were budgeted at \$1,551,642 and we actually took in \$1,559,658. On the expense side we budgeted for expenses of \$1,551,642 and we actually spent \$1,555,062. Jerry mentioned that with waste water being so subject to the weather, it is remarkable that we ended up so close to what we budgeted.

3. Correspondence: None

4. Water Plant Production and Operations: Rick Allen reported that Instrulogic Corp. has now completed their work and we can now monitor the flow through the City meters at Enfield Pump Station and at the Houston St. Tank. This will aid in catching major leaks by sending out an alarm when the pumps are operating more than normal.

Rick then asked Jerry to speak on the practice of chloramination. In his previous position Jerry converted the product water from free chlorine to chloramination. It is a prospect we may have to look at in the future. Jerry explained that chloramination simply involves adding a small amount of ammonia to the water prior to leaving the plant. This converts the free chlorine to a combined chlorine and it stays in the water longer. Customers will no longer be able to smell the chlorine in the water. The chlorine will no longer be able to combine with natural organics in the water to form disinfection byproducts. If we actually decide to pursue this conversion to chloramines there will have to be a significant public information effort to explain to the public what we are doing. The cost of this project would probably be less than the \$250,000 that it cost in Blacksburg several years ago. One drawback to this process is that this chemical process produces a contaminant called nitrosamines which is a suspect carcinogenic compound. However, the amount found in chloraminated water is negligible compared to the concentrations found in hamburger, hot dogs, and bacon. EPA is trying to figure out how to deal with this contradiction.

5. On the waste water side Rick noted that the phosphorous levels coming into the plant are coming down. He noted that the best way to try to trace where the phosphorous is coming from is to purchase a sampler which can be placed in the collection system at different locations. Jerry suggested that the Board allow them to purchase the \$5,000 sampler with the special projects line item in the budget. Mr. Carter made a motion to go ahead and purchase the sampler. Mr. Graves seconded. The motion passed.

Rick discussed the matter of a private chemical cleanup company asking to be allowed to deliver their "treated" water which can originate from anywhere in the State. It was agreed that if the waste isn't produced here we certainly don't want to treat it here.

6. Rockbridge County PSA Issues: None
7. City of Lexington Issues: None
8. Unfinished Business:
  - A. Action Items: Jerry reviewed the action items list and noted that there have been very few changes to the list and it is getting smaller.
  - B. Rt.11 pipeline replacement: Jerry is meeting with the design engineer tomorrow. Progress continues.

- C. Participation Agreement: the City of Buena Vista has decided that they want to stay affiliated with MSA and maintain a member on our board. The County Attorney still has some reservations about MSA having the ability to take on a project the owners don't want if we can pay for it with cash and incur no additional debt. She has been very busy and has not had the time to review Carolyn Perrys' (our attorney) modified wording. The subject is scheduled to come up at the Board of Supervisors meeting on August 24.
- D. Purchase of a CD: Jerry reviewed the discussion we had at the last meeting on purchasing a CD with the money we have in a debt reserve account, which is required by Rural Development to be a separate account from our other funds. RD had indicated they have no objection to us purchasing a CD with that money. Cornerstone Bank has offered a 2.25% interest rate for a 5 yr. CD with a 90 day withdrawal penalty. After some discussion Mr. Carter made the motion to purchase the CD as recommended. Mr. Graves seconded. The motion passed.

Jerry reviewed a draft plan for handling our other funds. He and George will come back to the Board with a recommendation at the next board meeting.

- 9. New Business: Jerry brought up the subject of Landfill Leachate being trucked to the waste water treatment plant. The County is planning to open a new cell at the landfill. They are required to have the leachate treated. It has been determined that the amount of water will be approximately 3 million gallons per year. After several meeting on the subject, Jerry met with the County Administrator and the Landfill Director and offered a cost to them of 10% over the sewerage rate. He later found a note on the office computer that showed the Board passed a motion in June 2013 requiring a minimum charge of 2 X the sewerage rate for waste delivered to the plant. Jeremy had indicated that this higher charge would be a considerable burden on them.

Jerry reviewed the rates charged at other plants around the state of Virginia. The rates varied from \$1 per thousand gallons to \$100. He requested the Board reconsider the motion of 2013 in light of the fact that we will be dealing with mostly rainwater, and allow for a charge of 10% over the established sewerage rate. The Board decided to table the issue until the next board meeting.

- 10. Other Business: Public Comment Session – None

- 11. Closed Session- None

Closed Sessions are held from time to time pursuant to Chapter 2.2-3711 Code of Virginia employing one or more of the following paragraphs as needed:

- (1) Discussion of employment, assignment, appointment of public employees
- (2) Discussion of acquisition or use of real estate of disposition of public land
- (3) Protection of privacy of individuals in personal matters related to public business (5)
- The investing of public funds where competition or bargaining is involved (6)

Consultation with legal counsel or briefing by staff members, consultants or attorneys pertaining to potential litigation (20) Discussion of plans to protect safety as it relates to terrorist activity.

12. Next MSA Board meeting: August 25, 2015

13. Meeting adjourned 6:11pm.

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Chairman

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Executive Director