

Maury Service Authority

Minutes of the Board Meeting

Tuesday September 27, 2016

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. John Higgins; Mr. George Graves; Mr. Jimmy Carter; and Mr. J.D. Goad. Also in attendance were Jerry Higgins, MSA Exec. Director; Mr. Noah Simon, Lexington City Manager; Mr. Mike Kennedy, Lexington Director of Public Works; Mrs. Christina Shea, MSA Administrative Secretary; Mrs. Sandra Stuart, Rockbridge Area Conservation Council; Mr. William Johnson, P.E.; Mr. Jordan Combs, P.E..

Regular Monthly Board Meeting

Chairman Capt. Ned Riester called the meeting to order at 5:00pm.

1. Approval of Minutes: Mr. Goad made the motion to approve the minutes of the August 23 Board Meeting. Mr. Carter seconded the motion. The motion passed.
2. Financial Report: Jerry Higgins pointed out that the Agenda Package includes the bank account balance sheet, the I&I Revenue Sharing Program balance, as well as an itemized expense detail sheet on each account listing each check written or ACH transfer made. Since we are getting away from requiring a board member signature on each check/payment (due to electronic payments), he included these sheets to keep the Board informed of our specific expenditures. All of those expenses are summarized on the monthly budget evaluation sheet. Jerry noted that the budget evaluation sheet for water and wastewater do not provide much information since this is only the second month of the fiscal year. There were no unusual expenses to report to the Board.

Jerry mentioned that he and the accountant still have a few wrinkles to work out of the budget documents. For instance the payroll company takes all of the money related to payroll out of the wastewater operations account. He then has to move money from the water ops account to reimburse the wastewater ops account. Also the payroll taxes we have paid have yet to be charged to the payroll taxes line item in the budget instead of wages. This should be worked out by the next Board meeting.

3. Water Plant Production and Operation: the Board package includes a water plant report from Roger DeBerry, Water Plant Supt.. Jerry indicated that the plant is operating smoothly at this point. Sydnor has evaluated the noise at the raw water pump station and says it is the raw water pump, not the motor. They are arranging to take the new pump located upstairs and the motor back to their shop. They will make sure all the parts fit and are all there (already found a minor problem). Then they will bring them back, put the spare motor back upstairs and replace the existing raw water pump with the new one. They will then take the old one back to refurbish it, bring it back and put it upstairs so we have a spare pump and motor ready to go.

We plan on having the WTP raw water pump station wet well cleaned out before the cold weather sets in.

4. Wastewater Plant Operation: Rick Allen, Wastewater Plant Supt. has been keeping Jerry up-to-date on plant operations and maintenance. A written report was included in the Board package. On Sept. 18th we received 1.3 inches of rain. The influent flow increased from 0.5 MGD to 3 MGD but there were no treatment problems. We need to pump down the middle ditch at the plant in order to repair a valve that is 16 ft. below the waterline. The repair should be made next week.

The WWTP recently passed the annual toxicity test. The sludge storage tank is now below 5 ft.. We have done a lot of spreading this year and we are in a good position regarding solids at the plant. Both sludge trucks will need new tires before the end of the year.

5. Rockbridge County PSA Issues: None

Jerry mentioned that they recently completed the quarterly leak test. It all went well except for the very last section of line from the plant to the Enfield tank. That portion of the line normally shows less than a gallon per minute loss but this time it is at about 19 gpm. He thinks water is getting past a valve that is normally open but has to be shut for the leak test. They will test it again soon.

6. City of Lexington Issues: Mr. Simon indicated that he had no issues to bring up at this time.
7. Unfinished Business:
 - A. Action Items: Jerry reviewed the action items list and said that there is no change to the items on the Action Items list.
 - B. Pipe Replacement to the Houston St. Tank: No further progress yet.
 - C. Participation Agreement: Jerry indicated that there has been no word on any progress on approval of the Participation Agreement. It is in the City's hands at the moment.

8. New Business:

- A. Jerry reviewed the amount of cash and CDs on hand in the WW Ops and WW Asset Repair & Replacement accounts. He recommended to the Board that they authorize him to allocate \$100,000 into the I&I Revenue Sharing Program at the end of October. After some discussion a motion to that effect was made and seconded. Motion Passed.
- B. The MSA CDs at Carter Bank will mature on Oct. 20. Jerry reviewed the balances in each of the MSA accounts and made the following recommendations for CD purchases after Oct. 20:
 - 1. Water Asset R&R account- purchase a \$75K CD to replace the \$100k CD when it matures.
 - 2. WW Asset R&R account- purchase a \$500K CD to replace the \$700K CD when it matures.After some discussion a motion to that effect was made and seconded. Motion Passed.
- C. Considerable progress has been made with Wells Fargo Bank (although it has been very difficult) making ACH transfers rather than writing checks. What came as a surprise was the numerous bank fees that were not made clear when MSA agreed to go to the Wells Fargo CEO Platform. A recent discussion with one bank representative revealed that we will be paying approximately \$215 per month for each of the two Ops accounts. Jerry requested permission to add an unfunded line item to the budget documents for Bank Fees to keep track of this expense. Additionally he asked to be allowed to continue with Wells Fargo Bank for the rest of this fiscal year while he approached other banks to determine what their fees would be. Instead the Board asked Jerry to start looking into making a bank change by January or so. He agreed to begin negotiating with other banks in the near future.
- D. Contract for Generator Maintenance- Jerry provided the Board with a proposed contract to maintain the four generators owned by MSA. The contract price (\$4,325) would include routine maintenance and lists the costs for other items such as load tests, oil changes, hose and coolant change outs. He asked the Board to authorize him to sign the contract. He has already had the company come in to treat the stored diesel fuel for each of the generators.

The Board agreed to have Jerry sign the contract as long as an additional item is added to the document stating that the company will respond within a specific period of time if they are called due to an emergency with a generator. A motion to that effect was made by Mr. Carter and seconded by Mr. Goad. Motion Passed.

The Board asked that Jerry begin a discussion with the generator company about helping us to secure a replacement generator in the event of an emergency.

- E. Jerry made the Board aware that he has been participating in meetings related to the water quality improvements that are being pursued by DEQ for the Little Calfpasture River and Lake Merriweather. He has received a letter from DEQ responding to his comments regarding the finding that there are an unknown number of straight pipe discharges to the river from homes along the river. He had indicated that this is a concern for MSA due to the drinking water intake located downstream.
 - F. In accordance with the request of the Board Jerry provided a proposed contract with William Johnson II, PE PC. The contract calls for Mr. Johnsons' firm to evaluate the operation of certain systems at the wastewater plant as authorized by Jerry. The Board agreed to the contract as long as the assignments by Jerry are done by Task Order estimating the time and expense and the TO is approved by the Board first. A motion to proceed with the contract was made by Mr. Higgins and seconded by Mr. Carter. Motion Passed.
9. Other Business: Public Comment Session – Sandra Stewart mentioned that the proposed pipeline will cross the Calf Pasture river and therefore the safety of the drinking water supply is a concern. There is another meeting with DEQ tonight at the Rockbridge Baths Firehouse.
10. Closed Session N/A
11. Next MSA Board meeting: September 27, 2016
12. Meeting adjourned 6:30 pm.

Chairman

Executive Director