

Maury Service Authority

Minutes of the Board Meeting

Tuesday December 6, 2016

Note: The November Board meeting was moved to Dec. 6 to cover both November and December due to the holidays.

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 was Jerry Higgins, MSA Exec. Director; Mr. Noah Simon, Lexington City Manager; Mr. Mike Kennedy, Lexington Public Works Director; Mrs. Melissa Alexander, Exec. Director, Rockbridge County PSA; Mrs. Christina Shea, MSA Administrative Secretary; 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. Graves made the motion to approve the minutes of the October 25 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 and the I&I Revenue Sharing Program balance. However, the Account Balances sheet that had been circulated had a mistake on it. Mr. Graves noted that the numbers for WW account #...6584 had the same numbers as the previous month and had not been updated. The sheet passed out this evening has been corrected. Jerry noted that the Audit for FY2016 is now complete and the auditor is pleased with the results. We will receive the printed Audit in the near future for the Board's approval.
Jerry then reviewed the monthly water and wastewater budget evaluations. The Wastewater Budget Evaluation shows that if the trend of the past four months continues MSA will take in \$281,870 over what was budgeted for and MSA will under-spend the expense budget by approximately \$18,460. On the Water Budget Evaluation

Jerry estimated that if the present trend continues MSA will take in \$28,046 more than was budgeted and will spend \$20,698 less than was budgeted.

3. Water Plant Production and Operation: the Board package includes a water plant report from Roger DeBerry, Water Plant Supt.. In addition Jerry wanted to point out that the full scale test run with the new formulation of the Poly-aluminum Chloride coagulant was very successful. The test confirmed the bench scale test results from the sales representative. The new coagulant gave us slightly better quality filtered water. It showed that much of the time we can feed half the dosage we were feeding with the older formulation. And due to the much higher shelf-life of the chemical, we can now order full truck loads which causes our freight costs to be cut almost in half. Additionally, the raw water pump (one of two pumps) had been vibrating too much for quite some time. Sydnor Hydrodynamics agreed to visit and evaluate the vibration. They confirmed that it was the pump and not the motor that was causing the vibration. Although we had a spare pump available for this eventuality, Sydnor found that several of the parts that came with the spare pump were the wrong size. After about eight weeks the new parts were delivered. The same morning that Sydnor showed up to replace the vibrating pump, the operators found that the vibrating pump would no longer run at all. The other (second) pump was keeping up with demand. The new pump was installed and running the following day. Sydnor confirmed that the pump was so worn that it could not be rebuilt. A new (spare) raw water pump will be ordered in the near future.
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.

The wet well for the Influent Pump Station to the wastewater treatment plant has now been cleaned out. The odors emanating from the station have been eliminated. Approximately 50 tons of waste was vacuumed from the wet well and transported to the landfill. This turned out to be a problem in that the landfill could not accept this waste as a liquid. The answer was to mix the waste with sawdust and then the landfill staff would accept the product. In the future, if the wet well is cleaned-out every two years, the odor and disposal problems will be kept to a minimum.

With the completion of the wet well clean-out we have completed two of the four steps that Jerry indicated it would take to get the pump station into tip-top shape. The next step is to work on the controls for the pumps including the wiring for the new electric valve actuators so they can be controlled properly. The electrical contractor has put forth a proposal to rewire as necessary and reprogram the programmable logic controllers (PLCs), valve actuators and pump variable frequency drive for pump no. 1 at a cost of \$18,550. After that is accomplished, pump no. 1 can serve as a model for the other three pumps and reprogramming them will be much easier. Finally, the last step will be to evaluate the programming of the pump station ventilation system and repair the wiring as necessary. The wastewater plant Controls Specialist is presently attending a three day training course in Charlottesville that is specifically for the type of

controllers we have at the pump station. This training will be of great benefit to MSA when it comes to future maintenance of the subject controllers.

5. Rockbridge County PSA Issues: None
6. City of Lexington Issues: None
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. Houston St. waterline project: no progress
 - C. Participation Agreement: Jerry indicated that there seems to be some action in the background and we may see some progress on the participation agreement in the near future.
 - D. Banking- new accounts have been opened at Cornerstone Bank and within the next month or so we will be transferring MSA funds to the new accounts and closing the accounts at Wells Fargo. There was discussion about having proper accountability for payments made through the new bank.
8. New Business:
 - A. Pump Station clean-out: the landfill staff has advised MSA that they cannot accept the waste in that condition next time. Jerry asked for agreement from the Board that the he get an engineer to look at the design of a drying bed for the clean-out waste in the future. The Board agreed that there appears to be no other alternative.
 - B. Jerry advised the Board that he is changing payroll companies from Wells Fargo to Paychex. The cost of their services will be half of what we are paying Wells Fargo. References have all been very positive for the new company and even the MSA accountant advised that Paychex will do a great job.
 - C. Health Insurance- Christina, MSA Administrative Secretary, has done a considerable amount of research on options for health insurance for MSA employees. She met several times with an agent for Colonial Life and found that, remaining with the Local Choice Program (LC), MSA could drop the coverage to a lower tier with LC and add private supplemental insurance through a company such as Colonial Life and save money for both MSA and the employee. Jerry reviewed this information and contacted a health insurance expert he has used in the past. She indicated that she has several clients who have gone this way recently and saved money and still maintained good coverage. She agreed to take our information and evaluate the options for MSA. She would send a report with her recommendation and would attend an MSA Board meeting if asked. The cost would be well under \$1500. Jerry asked for authorization to hire her to look at our options. However, the Board expressed concern that we needed to bid that consulting work, not just award the work to one consultant. Additionally, the Board felt that the subject was so complex

that MSA would be better off joining the City or the County on health insurance coverage.

- D. Jerry again brought up the fact that, for several years, he has been working with the VA Section of the American Water Works Association and several other water suppliers around the State to alert other water suppliers and the General Assembly of the intent of DEQ to control the withdrawals from surface waters by public water supplies. He furnished the Board with a draft letter that would be delivered to Agricultural Committee Chairs in both the House and Senate of the General Assembly along with similar letters from several other water suppliers. After some discussion the Board declined to authorize the letter to be signed on behalf of the MSA. They advised that such efforts were more appropriate for VML or VACO than for our Board.
- E. Holiday Bonus- Jerry proposed that the Board approve a bonus of \$350 for each MSA employee for this year. After some discussion the Board decided that although the City provided employees with a bonus last year, it was not included in the approved budget for MSA and therefore should not be approved.
- F. Financial Disclosure Forms – the Board members were reminded that each year they are required to submit (at least a copy of) new Financial Disclosure forms to be kept on file at MSA. The State now requires Auditors to verify that the forms are on file. He included in the pre-board meeting memorandum, a copy of page 5 of the “Conflict of Interest and Ethics Advisory Council User Guide” and the Financial Disclosure Form, each of which states the deadline for submitting the forms is December 15 of each year. Jerry also verified this deadline date with the MSA Auditor. **NOTE: at this writing, it seems clear that the deadline is actually January 15 now. Any forms dated before the 1st of January (for the previous year) are now considered invalid. Jerry will be in contact with each Board member on this subject in the near future (before January 15).**

9. Other Business: Public Comment Session – None

10. Closed Session: N/A

11. Next MSA Board meeting: January 24, 2017

12. Meeting adjourned 6:26 pm.

Chairman

Executive Director