

# Maury Service Authority

## Minutes of the Board Meeting

Tuesday June 27, 2017

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. Also in attendance was Jerry Higgins, MSA Ex. Director; Mrs. Melissa Alexander, Rockbridge Co. PSA Ex. Director; Mr. Noah Simon, Lexington City Mgr.; Mr. Jordan Combs, Engineer; Mrs. Christina Shea, MSA Administrative Secretary; Mrs. Sandra Stuart, Rockbridge Area Conservation Council.

### Public Hearing

Chairman Capt. Ned Riester opened the scheduled Public Hearing to allow comments from the public on the advertised wholesale rates for water, sewer, septage and leachate for FY 2018. Capt. Riester read from a prepared statement outlining the procedures MSA followed in advertising the proposed rates in the News Gazette and notification made to the City and the County. Chairman Riester asked for comments from anyone in attendance. There being no comments offered on the subject he closed the Public Hearing.

### Regular Monthly Board Meeting

Chairman Capt. Ned Riester called the regular meeting to order at 5:10pm.

1. Approval of Minutes: Mr. Graves made the motion to approve the minutes of the May 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 Accounts Balance Sheet and the I&I Revenue Sharing Program balance. All in attendance were provided with a copy of the monthly water and wastewater budget evaluations. He noted that on the water side it now appears that MSA will take in approximately \$99,579 less than was budgeted for revenues. The budget evaluation also shows that we will spend approximately \$195,342 less than was budgeted. For wastewater the trend

shows that MSA will take in approximately \$209,310 more than was budgeted and will spend approximately \$36,997 more 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 explained that the old turbidimeters in the plant lab are being replaced. The manufacturer does not provide parts any longer for this older equipment. Some of the new equipment has already been delivered.
  
4. Wastewater Plant Operation: Rick Allen, Wastewater Plant Supt. has been keeping Jerry up-to-date on plant operations and maintenance. His monthly report was included in the Board Packet. During the recent rainstorms we had 10 million gallons per day coming into our 3 Million Gallon per day treatment plant. The staff was able to handle the extra flow because we had a clarifier that was empty and out of service. The extra flow was diverted to that clarifier and treated later.

The plant continues to struggle with the absence of operators due to serious illnesses.

5. Rockbridge County PSA Issues: None

6. City of Lexington Issues: None

7. Unfinished Business:

Action Items: Jerry reviewed the action items list and said that there has been no significant progress on the participation agreement. There has been some discussion lately but the signs are that there may not be an approval forthcoming from the owners and we would then have to proceed with the Houston Street Waterline Project under the old rules. There has been no decision yet.

Bookkeeping: Jerry discussed the conversations he has had with various people regarding bookkeeping software for MSA. Most of those contacts recommended that we utilize "Quickbooks". Due to its wide usage and the availability of technical assistance Jerry requested permission to proceed with the purchase of that software and the conversion of our financial recordkeeping to Quickbooks. Mr. Carter made the motion to purchase the software. Mr. Carter, after some discussion, added that Jerry seek outside help if necessary in order to set up the software and help with training. Mr. Graves seconded the motion. Motion Passed.

FY 2018 Budget: Jerry noted that the Board and the attendees now have the slightly updated budget document. The changes that were made were not significant. The

discussion then opened up to anyone present to comment on the proposed budget items. There was considerable discussion regarding such items as chemical cost, wages, health insurance, office expenses, and VRS. There was also discussion about what appear to be projected budget deficits (eg. FY 2019, 2020 and 2021), the asset management plan, electricity, professional fees, and the difference in the number of line items in water vs. wastewater. This good discussion resulted in several recommendations:

- Future budget projections should be balanced. They are helpful to the City and the PSA
- Add past expenses in each line item for a better understanding of what is happening with any specific line item
- MSA may have to consider proceeding with the Houston St. Project without the Participation Agreement. This would require the extra legal assistance and public hearings but we are already budgeting for the debt service expense for that project.
- The payroll taxes line item may need another look at the calculation.
- The timing of the budget development and proposal needs to be changed. This is very late with regards to the budget development for the City and the PSA. They need to know what the rates are going to be for their own budget preparation.

Chairman Riester called for a motion on the proposed budget. Mr. Carter made the motion to approve the proposed budget, Mr. Graves seconded the motion. Motion Passed. Mr. Graves suggested that we adjust our budget preparation procedures to include more engagement by the board members rather than wait until the last moment to have some input. MSA probably needs to start the budget process in November or December.

8. New Business: Jerry requested authorization from the Board to hire an additional employee to work at the wastewater plant. With the difficulties presented by retirements and serious illnesses we need another permanent employee. The Board concurred.
9. Other Business: Public Comment Session – None
10. Closed Session: N/A
11. Next MSA Board meeting: July 25, 2017
12. Meeting adjourned 5:55 pm.

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Chairman

Executive Director