

**HARRISONBURG-ROCKINGHAM REGIONAL SEWER AUTHORITY  
MINUTES**

**August 29, 2022**

**PRESENT:** A. Banks, M. S. Byler, R. B. Chewning, A. M. Collins, A. A. Lawrence, M. W. Light, P. S. Rhodes, and S. D. Stevens: Also present: J. J. Ham, Attorney; A. L. Berry, K. D. Cekada, and G. A. Thomasson, Staff.

**CALL TO ORDER**

Chairman Rhodes called the regular monthly meeting to order at 3:01 p.m.

Members present were verified by roll call vote as follows:

Mr. Banks - Present	Mr. Collins - Absent	Mr. Rhodes - Present
Ms. Byler - Present	Ms. Lawrence - Present	Mr. Stevens - Present
Mr. Chewning - Present	Mr. Light - Present	

**APPROVAL OF MINUTES**

Upon motion of Mr. Banks, seconded by Mr. Chewning, the Board approved the minutes, dated June 6, 2022 as presented, by roll call vote as follows:

Mr. Banks - Aye	Mr. Collins - Absent	Mr. Rhodes - Aye
Ms. Byler - Aye	Ms. Lawrence - Aye	Mr. Stevens - Aye
Mr. Chewning - Aye	Mr. Light - Aye	

**TREASURER'S AND CASH BASIS REPORTS (JUNE & JULY)**

Ms. Berry reviewed the Treasurer's Reports for June and July 2022.

The June Treasurer's Report showed that the Authority received income of \$1,417,244 of which \$166,308 was revenue from the collection of septage and industrial solids treatment fees and pretreatment cost recovery fees of \$48,445. Expenditures for June totaled \$568,001 of which \$399,328 was related to routine O&M expenses. Capital Outlay and Project expenses totaled \$168,673 for the month. Of this amount, payments included \$19,830 to Capital Electric for a relay for the SAT blower, Site light, and wire and electrical lot for the garage addition; \$10,157 to Aaron J. Conner for labor, materials and equipment to remove a beaver dam from Blacks Run; \$11,531 to Hach Company for DO probes; \$89,843 to Lantz Construction for garage addition project expenditures and \$14,127 to Wiley/Wilson for garage addition and electrical gear replacement project expenditures. Total cash and investments as of June 30, 2022 totaled \$10,950,167.

Mr. Chewning requested information on the beaver dam removal expenditures. Mr. Thomasson indicated that during our annual inspection of the interceptor system we found a large beaver

dam on Blacks Run in the vicinity of Harman Construction's offices. The beaver dam had caused three or four manholes on our interceptor system to be submerged. The beavers were trapped and Aaron J. Conner removed two beaver dams on Blacks Run with a pneumatic winch. The deepest section of the impoundment was over 10 feet.

The July Treasurer's Report showed that the Authority received income of \$847,078 of which \$28,371 was revenue from the collection of septage and industrial solids treatment fees and pretreatment cost recovery fees of \$45,825. The Authority also received reimbursement of \$12,877 from the Virginia Clean Water Revolving Loan Fund (VCWRLF) Series 2020 Bond Requisition #14. Expenditures for July totaled \$441,154 of which \$390,989 was related to routine O&M expenses. Capital Outlay and Project expenses totaled \$50,165 for the month. Of this amount, payments included \$5,202 to Capital Electric for electrical lot for garage addition and electrical lot for the R/O unit; \$8,906 to Chesapeake Environmental Equipment for a seal kit, iron housing, wear plate kit, bearing kit and sight glass for Vogelsang pump; \$4,734 to ClearWater for an area velocity sensor; \$9,800 to CMC Metal Worx for material and labor to remove and dispose of a fiberglass tank in chemical building #1 and \$14,242 to Aaron J. Conner for labor and equipment to clear beaver dam from Blacks Run. Total cash and investments as of July 31, 2022 totaled \$11,356,091.

Reviewing the July Cash Basis report, Ms. Berry noted that revenues were approximately 102% of budget. Expenses were approximately 81% of budget. The difference between revenues and expenses was approximately \$129,537.

### **VIRGINIA NUTRIENT CREDIT EXCHANGE REPORT (CY 2021)**

Mr. Thomasson presented a summary of the Virginia Nutrient Credit Exchange Report for the 2021 compliance year. Total nitrogen and total phosphorus revenue from the entire Potomac Basin was \$30,213.60 and \$30,255.27, respectively. There was a large surplus of both Total Nitrogen (TN) and Total Phosphorus (TP) credits available for purchase in the Potomac basin. Projections indicate there will be a large surplus of both TN and TP in the Potomac for many years into the future which will keep prices low.

The Authority received revenue of \$1,612.28 at the end of July 2022 for the 2021 compliance year. Class A prices were \$0.07 and \$1.15 per pound of TN and TP, respectively. The Class B credit sale price for TP was \$0.03 per pound. No compensation was received for the Class B TN credits.

### **PRELIMINARY AUDIT RESULTS (FY 2022)**

Mr. Thomasson stated that a letter from Robinson, Farmer, Cox Associates (RFCA) was included in the agenda package which outlines the scope of RFCA's responsibilities as auditor. The second page now includes new verbiage as a result of a new auditing/reporting standard. Per RFCA, the two most significant risks of material misstatement in almost every industry is a result of management override of controls and improper revenue recognition. RFCA identified those significant risks of material misstatement as part of the audit planning.

Mr. Thomasson stated that we had just received the preliminary financial results from RFCA this morning.

Revenues: The preliminary financial statement indicated that the Authority received O&M revenues from the member localities totaling \$4,970,580.35. The Authority received \$4,200.24 from the Virginia Nutrient Credit Exchange for compliance year 2020. The Authority received pretreatment revenue of \$408,435.52 and septage and industrial solids treatment revenue of \$1,095,266.91. The difference between revenue received over budgeted revenue from other revenue sources was \$950,402.67. In accordance with the Service Contract, this amount is automatically transferred to the Planning and Repair (P&R) account for future capital improvements. The net O&M revenue after transfer of these funds is \$5,528,080.35.

Expenses: The preliminary financial statement indicated actual O&M expenses on a budgetary basis were \$5,118,628.83. Excess revenues over expenses were \$409,451.52. The O&M reserve is required by the Service Contract to equal two months of the O&M budget for the current year (FY 2023). The Special Reserve account is required by resolution to have a balance of 5% of the O&M budget for the current year (FY 2023). Both accounts have sufficient funds and will not require transfer of excess FY 2022 reserve funds.

Under the Service Contract, excess reserves greater than 10% of budget (FY 22) are to be credited to the member jurisdictions at the percentage share of revenue paid. Ten percent of the FY 22 O&M budget is \$568,363. Since the excess revenues over expenses for FY 22 is \$409,451.52, there will be no excess revenues credited to the member localities.

### **OPERATIONS AND PRETREATMENT REPORT (JUNE AND JULY)**

#### **- COVID-19 Response**

Mr. Thomasson provided an update on the Authority's response to the COVID-19 pandemic. There were four new confirmed positive cases among Authority staff in June and July 2022.

SARS-CoV-2 testing on the plant influent continues. The Biobot Analytics graph of the North River WWTF influent sampling for August 24, 2022 was presented and showed a slight decrease in the SARS-CoV-2 virus in our wastewater.

#### **- Operations Report**

Mr. Thomasson reviewed the Operations Report for June and July 2022. The average effluent flow for June and July was 12.88 MGD and 11.90 MGD, respectively. The average total phosphorus concentrations for June and July were 0.15 mg/l and 0.27 mg/l, respectively. The average total nitrogen concentrations for June and July were 3.03 mg/l and 3.12 mg/l, respectively.

The 2022 annual average concentration for TP through July is estimated to be 0.13 mg/L compared to the annual average limit of 0.28 mg/L. The annual average concentration for TN through July 2022 is estimated to be 3.69 mg/L compared to the annual limit of 3.7 mg/L.

Mr. Thomasson stated there were 81 tons of Class B dewatered biosolids land applied in June 2022. There were 132 tons of Class A dried biosolids distributed during June and there were 143 tons of Class A hauled for landfill cover in June.

- Pretreatment Cost Recovery Fees and Notices of Violation (NOVs)

Mr. Thomasson reported that four industrial users (Kerry, George's, Organic Plant, and SVO) were assessed pretreatment cost recovery fees for May 2022 totaling \$45,608.02. Four industrial users (Kerry, George's, Organic Plant, and Perdue) were assessed pretreatment cost recovery fees for May 2022 totaling \$7,265.87.

Mr. Thomasson stated that two industrial users were issued NOVs for permit violations in May 2022 with an NOV issued to Kerry for 10 BOD5, 9 TSS, and 9 TKN violations and an NOV issued to Organic Plant for 1 BOD5 violation. In June, Kerry was issued an NOV for 2 TSS and 7 TKN permit violations. In June, NOVs were also issued to Organic Plant for 3 BOD5 violations and Perdue for 1 BOD5 violation.

\*Note: Mr. Collins joined the meeting at 3:32 p.m.

- Kerry Update

Mr. Thomasson stated that a memo providing a brief history and an update on significant industrial user (SIU) Kerry (formerly Ariake USA) was emailed to Board members on August 27, 2022.

Ariake's wastewater permit was administratively continued due to ongoing compliance issues. In early 2019, Ariake installed a package MBR system by Alfa Laval and other improvements that they proposed would meet the local limits. The new system failed to comply with our local limits and the company was sold to Kerry in the second quarter of 2019.

On July 26, 2022, Authority staff went to the Kerry facility to discuss the status of the pretreatment plant project. During the visit, Kerry's plant manager provided an update on the pretreatment plant upgrades and a tour of the production facility and pretreatment system. According to the plant manager, Kerry has invested over \$5 million in the pretreatment plant project upgrades.

Mr. Thomasson reviewed the flow diagram of the new pretreatment system and a timeline of their "Progress Towards Compliance" which was provided by Kerry.

After the acquisition, Kerry hired Veolia Environmental to evaluate the pretreatment facility. Veolia reviewed the system and designed upgrades to the pretreatment plant in order to meet the established local limits. An outside consultant also reviewed the system for Kerry and concurred that the system would meet the pretreatment limits. The original projected completion of the Kerry upgrades was December 2021. Due to contractor and equipment delivery delays, and supply chain issues, the project completion date has been delayed several times. Kerry has

scheduled a shutdown for the week of Labor Day. During that week, Kerry plans to retrofit the existing aeration reactors into anoxic basins. Per their timeline, Kerry is proposing to have the pretreatment facility completely upgraded by December 31, 2022.

The Authority is receiving weekly updates from Kerry on their progress. Since the beginning of calendar year 2019, the Authority has received approximately \$523,000 in treatment cost recovery fees (TCRFs) from Kerry. Since Kerry does not technically have a permit, the Authority has requested that Kerry submit a wastewater permit application along with additional data and supporting documentation by October 7, 2022. The Authority would aim to issue Kerry a permit by the end of the calendar year. The permit could include interim limits to allow the new biological pretreatment system to comply with our local limits.

Mr. Chewning agreed that the Authority needed to issue Kerry a permit. Mr. Collins asked if Kerry's discharge which is currently above the local limits was impacting the discharge from the North River WWTF. Mr. Thomasson indicated that we do have to feed carbon in the form of acetic acid to treat excess nitrogen. Mr. Collins asked if the \$523,000 in revenue from pretreatment cost recovery fees covered the additional expense of treatment at the North River WWTF. Mr. Thomasson indicated that he was not sure. However, the approved Operating Rules and Regulations which are a local ordinance for each member locality states that all SIUs must meet the concentration based local limits. Mr. Collins also asked if we thought they could comply with our limits. Mr. Thomasson indicated that he thought they needed a process expert and had already expressed his opinion to Kerry personnel.

- Draft VPDES Permit

The Authority received the first draft of our VPDES permit from DEQ on July 27, 2022. Authority staff provided comments on the draft and received the final draft permit on August 18, 2022. The annual nutrient limits are unchanged. TKN limits are slightly lower based on modeling. The ammonia limits were also lower based on new DEQ guidance. The final draft had a reduced CBOD5 and ammonia monitoring frequency. However, DEQ added influent CBOD5 and TSS monitoring to demonstrate the 85% removal efficiency required by the EPA Secondary Treatment Regulation. The public notice date started August 28, 2022 and our Individual VPDES permit should be renewed by October 1, 2022.

## **PROJECT UPDATES**

- SAT Blower and Bioreactor Blower

The Authority currently utilizes one of the two Universal Blower PACs to provide air to the SAT basins. The last zone of the SAT basins must constantly be aerated to prevent phosphorus release. The Authority also has a United Blower which can be used in an emergency. However, it is undersized. A new Universal Blower PAC was ordered on September 16, 2021. The blower was originally scheduled to be delivered March 1<sup>st</sup>. The Authority hopes to receive the blower in the next few months.

Currently the Authority has three Sulzer High Speed Turbo blowers which provide air to the bioreactors. For our current flow, the North River WWTF needs two Sulzers to provide adequate air to the bioreactors. Several weeks ago, a VFD inside one of the Sulzers failed. The VFD was removed and delivered to Delta Automation in Richmond. Parts are on order to repair the VFD and are scheduled to be shipped to Delta by early October. A purchase order has been issued to procure two backup VFDs. The replacement VFDs should ship by early January or February of 2023.

A purchase order to procure a fourth Sulzer blower has also been issued. The existing blower building has a fourth slot for the new blower and electric is available. Once received, a third-party will need to be hired to run electric and plumb the intake and exhaust. Estimated arrival of the new blower is February or March of 2023.

There are two additional blowers on site (Spencer 8 and a Neuros blower) as a backup. If additional breakdowns occur, a plan has been put into place to rent a blower which could be onsite in 24 hours.

- Bridgewater Pump Station

The emergency generator for the Bridgewater Pump Station has been procured. The emergency generator installation has three phases which include relocating the existing aboveground electrical line, constructing a platform for the generator, and installing the generator and automatic transfer switch (ATS).

### **OTHER BUSINESS**

- Selection of Nomination Committee for Board Officer (2022 – 2023)

Chairman Rhodes indicated that new Board Officers must be appointed in the annual meeting which occurs in September. The existing Board Officers have served two consecutive terms and may not serve in the same position. Chairman Rhodes appointed Mr. Banks and Mr. Chewning as the nominating committee to propose new nominations for Board Officers.

- Approval of Board Meeting Dates (2022 – 2023)

Mr. Rhodes indicated that a proposed 2022- 2023 Board Meeting schedule had been included in the agenda package and was similar to the schedules in previous years.

Upon motion of Mr. Chewning, seconded by Ms. Byler the Board unanimously approved the meeting dates for 2022 – 2023 as recommended by roll call vote as follows;

Mr. Banks - Aye	Mr. Collins - Aye	Mr. Rhodes - Aye
Ms. Byler - Aye	Ms. Lawrence - Aye	Mr. Stevens - Aye
Mr. Chewning - Aye	Mr. Light - Aye	

**NEXT MEETING DATE**

Chairman Rhodes set the annual and regular monthly meeting for Monday, September 26, 2022, at 3:00 p.m.

**ADJOURNMENT**

Upon motion of Mr. Banks, seconded by Ms. Lawrence, the Board unanimously voted to adjourn the meeting by roll call vote as follows:

Mr. Banks - Aye

Ms. Byler - Aye

Mr. Chewning - Aye

Mr. Collins - Aye

Ms. Lawrence - Aye

Mr. Light - Aye

Mr. Rhodes - Aye

Mr. Stevens - Aye

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M. W. Light, Secretary-Treasurer