



CITY OF HOPEWELL
Hopewell, Virginia 23860

CITY COUNCIL

Jackie M. Shornak, Mayor, Ward #7
Jasmine E. Gore, Vice Mayor, Ward #4
Christina J. Luman-Bailey, Councilor, Ward #1
Arlene Holloway, Councilor, Ward #2
Anthony J. Zevgolis, Councilor, Ward #3
K. Wayne Walton, Councilor, Ward #5
Brenda S. Pelham, Councilor, Ward #6

AGENDA

PHONE: 541-2249
FAX: 541-2248

e-mail: info@hopewellva.gov
www.hopewellva.gov

Mark A. Haley, City Manager
Stefan M. Calos, City Attorney

Date: April 11, 2017

MUNICIPAL BUILDING

TIME: Closed Meeting 6:30 p.m.
Regular Meeting 7:30 p.m.

OPEN MEETING

6:30 p.m. Call to order, roll call, and welcome to visitors.

MOTION: To amend/adopt agenda.

MOTION: To go into closed meeting for (1) discussion of the appointment or resignation of public officers (city councilor, constitutional officer) and specific appointees of city council (city clerk, finance committee), and (2) consultation with legal counsel employed or retained by city council related thereto and regarding specific legal matters (the Beacon) requiring the provision of legal advice by such counsel, in accordance with Virginia Code sections 2.2-3711 (A) (1) and (7), respectively.

Roll Call

CLOSED MEETING

RECONVENE OPEN MEETING

CERTIFICATION PURSUANT TO VIRGINIA CODE § 2.2-3712 (D): WERE ONLY PUBLIC BUSINESS MATTERS (I) LAWFULLY EXEMPTED FROM OPEN-MEETING REQUIREMENTS AND (II) IDENTIFIED IN THE CLOSED-MEETING MOTION DISCUSSED IN CLOSED MEETING?

Roll Call

WORK SESSIONS

WS-1 Economic Development Authority

WS-2 Hopewell Redevelopment and Housing Authority

REGULAR MEETING

7:30 p.m. Call to order, roll call, and welcome to visitors.

Prayer by Charles Dane, Assistant City Manager, followed by the Pledge of Allegiance to the Flag of the United States of America.

Consent Agenda

All matters listed under the Consent Agenda are considered routine by Council and will be approved or received by one motion in the form listed. Items may be removed from the Consent Agenda for discussion under the regular agenda at the request of any Councilor. (Rule 304)

- C-1** Minutes: None
- C-2** Pending List: None
- C-3** Routine Approval of Work Sessions: Council Finance Committee meeting April 13, 2017; Budget Work Session April 18, 2017
- C-4** Personnel Change Report & Financial Report: None
- C-4** Ordinances on Second & Final Reading: None
- C-5** Routine Grant Approval: None
- C-6** Public Hearing Announcement: **April 18, 2017** – Finance – City Manager Adjusted Budget; **April 25, 2017** – Development – Requests to amend the Zoning Ordinance; Finance – FY 2018 School Division Budget
- C-7** Information for Council Review: Hopewell Water Renewal minutes for January 30, 2017
- C-8** Resolutions/Proclamations/Presentations: Condolence Proclamation for Juanita Coles Chambers; Fair Housing Act proclamation; Appomattox Regional Library System 10th Anniversary Invitation

Public Hearings

*Addressing Council – Each person addressing the Council shall step to the microphone, give name and address and limit comments to **five (5) minutes** or less. No person shall be permitted to address Council a second time until all others have been heard once and no one shall speak more than twice on any subject in any one meeting. All remarks shall be addressed to Council as a body and not to any member thereof. No person other than the Council and the person having the floor shall enter into any discussion either directly or through a member of the Council without permission of the Mayor. No question shall be asked a Council member (including Administration) except through the presiding officer. (Rule 405)*

PH-1 To consider citizen comments regarding real property tax levy increase of \$.04 per \$100 (from \$1.13 to \$1.17) for Fiscal Year 2018.

RECOMMENDATION: Staff recommends approval.

Motion: To approve the real property tax levy increase of **\$0.04 per \$100 for Fiscal Year 2018.**

Roll Call

Communications from Citizens

*A Communications from Citizens period, limited in total time to 30 minutes, shall be part of the Order of Business at each regular Council meeting. **Each speaker** will be limited to **three (3) minutes**. No citizen will be permitted to speak on any item scheduled for consideration on the regular agenda of the meeting. (Rule 405)*

Regular Business

Reports of City Manager:

R-1 Approval of Fiscal Year 2017 General Fund/Finance Budget appropriation for additional audit, consulting, and other professional service costs.

ISSUE: Current FY 2017 General Fund Revised Budget is insufficient to cover estimated audit, consulting, and other professional service costs to be incurred through June 30, 2017.

RECOMMENDATIONS: Staff recommends approval.

MOTION: To appropriate an additional \$250,000 to supplement Fiscal Year 2017 budget.

Roll Call

R-2 Presentation regarding the classification and compensation study results by Ann Antonsen of Springsted Incorporated.

R-3 Presentation of Capital Improvements Budget and financial requests from outside agencies by City Manager.

R-4 Approval of health care rates for employees and retirees, and other recommendations proposed by OneDigital.

ISSUE: The City currently uses The Local Choice (TLC) as its health care provider. The OneDigital consultant presented the new TLC rates and its recommendations to Council on April 4, 2017.

RECOMMENDATION: Staff recommends approval.

MOTION: To approve the new rate schedules and recommendations of OneDigital regarding the City's health insurance program.

Roll Call

R-5 Update on 2017 real estate tax assessments by the Interim Finance Director.

Reports of the City Attorney:

Reports of the City Clerk:

Accepting Talent Bank Resumes (TBRs) for boards and commissions

Reports of City Council:

Committees

Individual Councilors

Citizen/Councilor Requests

Other Council Communications

Adjournment

Work Session

Economic Development Authority - no documents

Hopewell Redevelopment and Housing Authority - no documents

CONSENT AGENDA



Hopewell Water Renewal Commission
 Quarterly Meeting
 January 30, 2017

Members Present	Members Absent
Christina Luman-Bailey, Chair	None
Fred Harry, AdvanSix	
Mark Haley, City Manager	
Paul Tuck, Ashland	
Dave Anderson, WestRock	
Doug Woodhouse, Virginia American Water Company	
Stefan Calos, City Attorney	

Others Present	
Jeanie Grandstaff, H2O Renewal	Andrew Parker, AdvanSix
Matt Ellinghaus, H2O Renewal	Alex Barfield, WestRock
Shayna Johnson, H2O Renewal	Becky McDonough, Hopewell/Prince George Chamber of Commerce
Harold Walker, H2O Renewal	Chris Tabor, Hazen
	Bart Kreps, Raftelis, (by phone)

- 1. Call to Order.** Chair Christina Luman-Bailey called the meeting to order at 1:30 on January 30, 2017. A quorum was present.
- 2. Review for Approval: Minutes from October 17, 2016 Meeting and December 13, 2016 Special Meeting.** The minutes of the October 17, 2016 meeting were unanimously approved after a motion from Commissioner Haley, seconded by Commissioner Anderson. The December 13, 2016 minutes were unanimously approved after a motion from Commissioner Woodhouse, seconded by Commissioner Haley.
- 3. Citizens Communication.** There was no communication from citizens at this meeting.
- 4. Employee of the Year.** Chair Christina Luman-Bailey presented a plaque to Jeff Stiff for 2016 employee of the year. He was nominated by fellow employees because of his can-do attitude and willingness to take the time to help out. He is very positive and supportive in all that he does; no matter if it is moving files or boxes to doing all the necessary paperwork and prep work for equipment orders. He follows up on discrepancies and makes sure that orders are entered into the maintenance work order system. He has an infectious smile and is the epitome of the word "Teamwork".

5. **Staff Reports.**

- a. **Safety and Compliance.** Jeanie Grandstaff briefed the Commission on the status of plant safety and compliance stating that there had been no lost time accidents or permit violations since the last meeting.
- b. **Regulatory and Enforcement.** Matt Ellinghaus reviewed the January 30, 2017 Regulatory Affairs Report, which is attached as a part of these minutes. He reported that the total nitrogen discharged in 2016 was 1.76 million pounds compared to the permit limit of 1.83 million pounds. However, due to high phosphorus discharges from Green Plains in February 2016, the phosphorus permit limit of 76,139 pounds per year was exceeded by 1,445 pounds for which credits will need to be purchased from the nutrient exchange.
- c. **Capital Project Status.** Jeanie Grandstaff updated the Commission on the status of the capital projects: The purchase of the new centrifuge is still in the process. HDR is preparing the specifications and the bid should be advertised around the beginning of March. HDR is also designing the installation of the centrifuge.

In addition, HDR is in the process of designing the necessary plans for the UNOX and plant electrical upgrade projects.

- d. **Business Report.** Shayna Johnson, reported on the current budget status for the second quarter of FY 17 and the year-to-date. The budget report is attached as a part of these minutes. Miscellaneous revenue year to date totals are \$1,234,724.
- e. **Upcoming Maintenance Projects.** Harold Walker reported that HDR has scheduled a meeting during mid-February to discuss its evaluation on the repair of the return activated sludge line that developed a leak. Preliminary information from HDR is not recommending wrapping of the line, however, staff plans to question this recommendation.

6. **Wastewater O&M Cost Allocation Billing Methodology.** Jeanie Grandstaff began the discussion by stating that, as requested by the Commission at the December meeting, Raftelis revised the model to compare the 60/40 cost of service model with method 3A using a 3 year rolling average. This provided the Commission with information to demonstrate whether the increase in fees was due to the model or to the increase in loadings. Based on this information, Commissioner Anderson presented a spreadsheet, (attached as a part of these minutes) which consolidated the costs per Commission member by loading parameter (BOD,TSS, Flow, TN, Other). This spreadsheet outlined what was driving the difference in fees for each member. After a motion by Commissioner Harry, seconded by Commissioner Tuck, the Commission approved the 60/40 cost of service method for calculating Commission members O&M costs beginning July 1, 2017. Commissioner Anderson voted "no" on the motion.

7. **O&M Cost Allocation Agreement.** The Commission discussed the issue of reserve funds and requested information on why 180 days of the O&M budget was the recommended amount for the reserve fund. The Commission suggested that the Third Supplemental Agreement should include language on how the reserve fund is set up

and funded, how the cash flow will work, and provide flexibility on how the money will be used. Jeanie Grandstaff agreed to talk with Brendan Staley at Hunton & Williams to have the Commission's suggestions incorporated into the draft agreement and to send the Commissioners a new draft version of the agreement. The Commission's consensus was to provide comments on the agreement by February 28, 2017.

- 8. Phase 2 Status and Start-up Information.** Matt Ellinghaus provided an update on the construction status of the phase 2 nitrogen reduction project. He stated that HNP is working on correcting leaks between the MBBR tanks. Once the leaks are sealed, HNP will begin installing the media into the tanks. Matt also reported that Gravely Run Pump Station wet well had passed its leak test. The Dominion upgrade of the plant substation is complete with minor site work remaining. The project timeline status is attached as a part of these minutes.
- 9. City of Hopewell Charter Amendment Status.** Jeanie Grandstaff reported that the City's charter changes were modified after comments from WestRock. The changes which were approved by committees in the House of Delegates and the Senate allow a total of 9 industrial members and eliminates the language which required new Commission members to pay a fee equal to 4% of the original cost of the facility. The new language provides that City Council can determine this fee amount based on a recommendation by the Commission.
- 10. Billing for Capital Projects.** Jeanie Grandstaff requested guidance from the Commission on how they wished to be billed for approved capital project. Currently, billing is charged to Commission members as invoices on the projects are received. The consensus of the Commission was to continue capital project billing as invoices are received. The Commission also requested that before projects are started that a construction and cash flow schedule be provided. The next 2 projects requiring a construction and cash flow schedule are the centrifuge and Unox/plant electrical upgrade projects.
- 11. Amendment of the Nutrient General Permit Limits for Total Phosphorus.** Matt Ellinghaus reported that the new Nutrient General Permit phosphorus limit for Hopewell Water Renewal will be reduced to 61,749 pounds per year beginning in 2017. Staff will be monitoring phosphorus closely to ensure that the limit is met or that credits will need to be purchased from the nutrient exchange to obtain compliance. Potentially, phosphorus reduction treatment may be required in the future.
- 12. Hydrogen Sulfide Study and Treatment.** Matt Ellinghaus informed the Commission that staff had engaged HDR to conduct a hydrogen sulfide study of the Solids and Centrifuge buildings due to the levels of hydrogen sulfide suspected of being present and the amount of corrosion experienced on mechanical and electronic equipment. Staff requested HDR to prioritize any corrective actions that may need to be taken, so that implementation can be phased.
- 13. Phase 2 Ribbon Cutting.** Jeanie Grandstaff stated that a tentative date of May 3, 2017 has been scheduled for the ribbon cutting. Mark Haley will be the keynote speaker. However, this date may need to be postponed if start-up of the project is delayed.

- 14. New Plant Logo.** Jeanie Grandstaff showed the Commission, the attached copy of the logo, which was designed by staff and enhanced by an on-line graphic designer.
- 15. Other Discussion.** Commissioners David Anderson, Mark Haley, Paul Tuck, and Doug Woodhouse terms have expired and need to be reappointed to the Commission. All 4 of the Commissioners indicated their willingness to continue on the Commission. Jeanie Grandstaff will submit a letter to the City Clerk requesting that these members be reappointed by Council for an additional 2 year term.

Based on discussion, the Commission agreed to hold the next quarterly meeting on April 3, 2017 at 1:30 p.m.

- 16. Adjourn.** There being no further business, Chair Luman-Bailey adjourned the meeting at 3:22 p.m.

Minutes approved at the April 3, 2017 Meeting

Hopewell Water Renewal Commission
Quarterly Meeting
January 30, 2017, 1:30 p.m.
Gravelly Run Training Center
AGENDA

1. Call to Order Christina Luman-Bailey, Chair
2. Review for Approval: Minutes from October 17, 2016 meeting and December 13, 2016 special meeting Christina Luman-Bailey, Chair
3. Citizens Communication Five Minutes Each
4. Employee of the Year Christina Luman-Bailey, Chair
5. Staff Reports
 - a) Safety and Compliance Jeanie Grandstaff
 - b) Regulatory and Enforcement Matt Ellinghaus
 - c) Capital Project Status Jeanie Grandstaff
 - d) Business Report Shayna Johnson
 - e) Upcoming Maintenance Projects Harold Walker
6. Wastewater O&M Cost Allocation Billing Methodology Chris Tabor/Bart Kreps/Commission Members
7. O&M Cost Allocation Agreement Commission Discussion
8. Phase 2 Status and Start-up Information Matt Ellinghaus
9. City of Hopewell Status Amendment Status Jeanie Grandstaff
10. Billing for Capital Projects Jeanie Grandstaff
11. Amendment of Nutrient Permit Total Phosphorus Allocation and Potential Treatment Jeanie Grandstaff
12. Hydrogen Sulfide Study and Treatment Matt Ellinghaus
13. Phase 2 Ribbon Cutting Jeanie Grandstaff
14. New Plant Logo Jeanie Grandstaff
15. Other Discussion
16. Adjourn

Hopewell Regional Wastewater Treatment Facility
 Quarterly Commission Meeting
 October 17, 2016

Members Present	Members Absent
Christina Luman-Bailey, Chair	None
Fred Harry, AdvanSix	
Mark Haley, City Manager	
Paul Tuck, Ashland	
Dave Anderson, WestRock	
Doug Woodhouse, Virginia American Water Company	
Stefan Calos, City Attorney	

Others Present	
Jeanie Grandstaff, H2O Renewal	Andrew Parker, AdvanSix
Matt Ellinghaus, H2O Renewal	Richard Corbi, Virginia American Water Company
Shayna Johnson, H2O Renewal	Alex Barfield, WestRock
Harold Walker, H2O Renewal	Brendan Staley, Hunton and Williams
Chris Tabor, Hazen	
Bart Kreps, Raftelis, (by phone)	

1. **Call to Order.** Chair Christina Luman-Bailey called the meeting to order at 1:33 PM on October 17, 2016. A quorum was present.
2. **Review for Approval: Minutes from July 18, 2016 Meeting and August 22, 2016 Special Meeting.** The minutes of the July 18, 2016 meeting were unanimously approved after a motion from Commissioner Haley, seconded by Commissioner Harry. The August 22, 2016 minutes were unanimously approved after a motion from Commissioner Haley, seconded by Commissioner Harry.
3. **Citizen Communication.** There was no communication from citizens at this meeting.
4. **Staff Reports.**
 - a. **Safety and Compliance.** Jeanie Grandstaff briefed the Commission on the status of plant safety and compliance stating that there had been no lost time accidents since the last meeting. In her compliance report, she stated that the plant violated the quarterly whole effluent toxicity (WET) test in August, although the results were questionable because the control test did not show toxicity. A retest taken in September showed compliance with the WET test.
 - b. **Regulatory and Enforcement.** Matt Ellinghaus reviewed the October 17, 2016 Regulatory Affairs Report, which is attached as a part of these minutes. He noted that EPA and the facility had finally agreed to and signed a consent agreement on September 30 which settles the 2010 MACT air emission violations.
 - c. **Capital Project Status.** Jeanie Grandstaff presented a table on FY 16-17 Capital Project Status which is attached as a part of these minutes. Commissioner Anderson questioned how the projects' billing formulas were derived. Ms. Grandstaff explain that at the time of budget approval by the Commission, no billing method was determined. According to the 1995

Commission agreement, any project less than \$500,000 uses the default method outlined in section 3.2(3)(A) of the agreement, commonly referred to as method B.4 from the original 1975 agreement. For other project over \$500,000, staff applied cost based on BOD or TSS depending on the area of the plant that was receiving capital improvement. Commissioner Anderson stated that he did not remember approving the capital budget in January and Ms. Grandstaff stated that he left the meeting early before the vote was taken.

d. **Business Report.** Shayna Johnson, reported on the current budget status for the first quarter of FY 17 and the year-to-date. The budget report is attached as a part of these minutes. Miscellaneous revenue year to date totals are \$572,242.

e. **Upcoming Maintenance Projects.** Harold Walker reported on two large proposed maintenance projects. Staff is evaluating the costs of repair and/or replacement in order to include the costs in the FY 18 capital budget. One project is the repair/replacement of the return activated sludge line which has been temporarily patched until an engineering evaluation on the best method of repair or replacement can be completed. Commission Harry suggest that a pipeline wrapping method used on the Honeywell water intake may be a good solution and will send the vendor information so that this technology can be considered as part of the engineering evaluation.

The second maintenance project concerns the replacement of the main electrical switch gear. As part of the nitrogen project, Dominion Power evaluated the electrical supply and determined that to increase the electrical capacity, all of the Dominion equipment should be replaced since it is over 40 years old. HDR electrical engineers are suggesting that the plant side of the main switch gear should be replaced also in order to ensure the sustainability of the electrical service to the plant. The estimated cost is \$1.7 million.

5. **Wastewater O&M Cost Allocations.** Jeanie Grandstaff explained that the additional suggested modeling scenario requested at the August meeting was sent to the Commission in September for its review. This scenario was titled 60/40 TN & BOD. The modeling scenario is attached as a part of these minutes. Commissioner Anderson handed out a copy of a presentation (attached as a part of these minutes) that he discussed as showing that the new billing allocation methods appear to transfer the cost of the nitrogen reduction O&M from some of the other users to WestRock. Bart Kreps with Raftelis stated that the data provided by Hopewell Water Renewal for FY 16 shows that WestRock's share of O&M costs was \$5.2 million which is in line with the new modeling results. Chris Tabor with Hazen suggested that a spreadsheet be developed that shows the actual cost and percentage of costs that each user has paid over the past few years and then look at the projected percentage of cost increase for the future. Commissioner Anderson requested to discuss this issue offline with Bart Kreps. Jeanie Grandstaff stated that the budget has been depleted on this contract and requested that Hazen and Raftelis submit a budget to extend the work on this contract. The O&M Cost Allocations will be discussed further at the next meeting.

6. **O&M Cost Allocation Agreement.** Brendan Staley with Hunton and Williams briefly summarized the draft third supplement to the 1995 Commission agreement. The draft was provided to the Commissioners on October 13 for their review. The method included in the draft uses the 60/40 total nitrogen methodology that provides for a volumetric rate which makes monthly billing simpler. He explained that the billing method can be changed based on the Commission's decision on which method should be used. He also discussed the need to increase the reserve fund since billing will be based on actual flows and will be billed in arrears rather than based on projected flow and strength and billed in advance. Further discussions on the draft agreement will take place at the next meeting.

Based on guidance from the City's Finance Director, Jeanie Grandstaff explained that the new billing method would not take place until July 2017 at the beginning of the new fiscal year. Commissioner Anderson expressed concern that WestRock would be paying the higher O&M costs after start-up of the nitrogen project in March 2017.

7. **Phase 2 Status and Start-up Information.** Matt Ellinghaus briefed the Commission on the status of the phase 2 construction since the July meeting. The project timeline status is attached as a part of these minutes.
8. **Ash Handling and Scrubber Project Cost Increase.** Jeanie Grandstaff reported that in preparing the year-end adjustments, it was noted that the ash handling project was over budget by \$533,460.17. She recommended that the Commission approve taking the additional costs from FY 16 miscellaneous revenues of \$1,656,045. Attached as a part of these minutes is a breakdown of the project costs. After discussion and a motion by Commissioner Anderson, seconded by Commissioner Harry, the Commission unanimously approved the use of FY 16 miscellaneous revenue in the amount of \$533,460.17 to cover the additional cost of the Ash Handling facility.
9. **Other Discussion.** The Commission requested Jeanie Grandstaff to submit a Doodle Poll to schedule a special meeting in December for the purpose of continuing the discussions on the O&M Cost Allocation and the Third Supplement Agreement.
10. **Adjourn.** There being no further business, Chair Luman-Bailey adjourned the meeting at 3:47 p.m.

Hopewell Regional Wastewater Treatment Facility
Special Commission Meeting
December 13, 2016

Members Present	Members Absent
Christina Luman-Bailey, Chair	None
Fred Harry, AdvanSix	
Mark Haley, City Manager	
Paul Tuck, Ashland	
Dave Anderson, WestRock	
Doug Woodhouse, Virginia American Water Company	
Stefan Calos, City Attorney	

Others Present	
Jeanie Grandstaff, H2O Renewal	Chris Tabor, Hazen
Matt Ellinghaus, H2O Renewal	Bart Kreps, Raftelis,
Shayna Johnson, H2O Renewal	Andrew Parker, AdvanSix
Harold Walker, H2O Renewal	
Maxine Tinsley, H2O Renewal	

1. **Call to Order.** Chair Christina Luman-Bailey called the meeting to order at 1:30 PM on December 13, 2016. A quorum was present.
2. **Citizens Communication.** There was no communication from citizens at this meeting.
3. **Wastewater O&M Cost Allocation Presentation and Discussion.** Bart Kreps with Raftelis presented information on Hopewell Water Renewal's wastewater O&M Cost Summary. A copy of his presentation is attached as a part of these minutes. Bart compared each industry's 2013-2016 contribution to BOD, TSS, Flow and Nitrogen. He compared past and future O&M costs for each industry using the 60/40 cost of service methodology with the 3A methodology. After discussion, the Commission requested Raftelis to normalize the loading data by calculating the 3A methodology costs using the 3 year rolling average data used in the cost of service methodology rather than the linear projection for future year estimates that was used for the 3A methodology. Using the same data for each proposed billing methodology will allow the Commission to understand and determine what is driving the higher O&M costs in addition to the projected O&M costs for the Phase 2 Nitrogen Project. Once Raftelis has revised the calculations, it will be sent to the Commission for its review prior to the next quarterly meeting in January.
4. **Other Discussion.** The Commission set January 30, 2017 at 1:30 as the date for the next quarterly meeting.
5. **Adjourn.** There being no further business, Chair Luman-Bailey adjourned the meeting at 3:47 p.m. after a motion from Commissioner Haley, seconded by Commissioner Woodhouse.

Regulatory Affairs / Technical Services

Quarterly Summary

- Title V Permit
 - 2007 Clean Air Act Audit, April 2009, and December 2010 NOVs. In late August, EPA requested that the Administrative Order on Consent (consent order) be completed prior to the end of the Federal fiscal year. Month long negotiation commenced and was completed with the Order being signed on September 30th and is now final. We are now in the process of implementing its requirements.
 - Sewage Sludge Incinerator Rules. Installation of a new scrubber and ash handling system is complete. The new scrubber passed all the new air standards. Compliance report was submitted to DEQ at the end of April. Performance testing for the ash handling system was completed in July. Final report on fugitive dust emissions received and sent to DEQ demonstrating full compliance with the standard.

- VPDES Permit
 - Violations. The plant maintained compliance through the fourth quarter of 2016.
 - VPDES Permit. The VPDES permit expired on September 30, 2013. The permit was reissued and became effective on August 1, 2016. The ammonia permit limit is 25.8 mg/l Daily Maximum and 17.2 mg/l Monthly Average. The new ammonia and nitrogen limits will become effective in January 2018.
 - Section 308 Request from EPA. During the past quarter, H2O Renewal has received no further requests from EPA for information. The 2015 annual pretreatment report was submitted to EPA as required.

- Storm Water Permit. The July 2014 industrial storm water general permit requires sampling at each outfall for total nitrogen, total phosphorus and total suspended solids, as well as pH. To lessen the sampling burden and improve sampling locations Hazen is currently designing a method to combine existing outfalls and installing storm water controls. This will reduced the number of outfalls to 4 or 5.

- Environmental Management System (EMS). H2O Renewal submitted its E3 annual report on April 1, 2016. DEQ is still recognizing the facility's E3 status in the new permit even though we have experienced a number of violations/enforcement actions over the past few years. We have contracted with Aegis Environmental to assist us in updating the EMS.

- Nutrient Issues
 - Nutrient General Permit. The total nitrogen discharged for 2016 was 1.76 million pounds compared to the permit limit of 1.83 million pounds/year. The annual average concentration through the end of the fourth quarter was 22.6 mg/l. The Nutrient General Permit expired in December 2016. In the draft permit, James River dischargers' phosphorus allocations are being reduced by approximately 19%. H2O Renewal's phosphorus limitation will be reduced from 76,139 pounds/ year to 61,749 pounds/year. H2O Renewal typically discharges around 50,000 pounds of phosphorus/year, but due to some unexpected loadings this year, we discharged 77,584 pounds in 2016 and needed to purchase 1,445 credits on the exchange.
 - Water Quality Improvement Fund Grant Agreement for Denitrification. The 2001 grant agreement was modified to require an effluent Total Nitrogen annual average concentration of 24 mg/l and allows for a 10% exceedance to 26.4 mg/L. As stated above, the average total nitrogen discharged for 2016 was 22.6 mg/l.

Hopewell Water Renewal Commission Meeting
January 30, 2017

- The Nutrient Exchange Association. Beginning in 2011, H2O Renewal and Honeywell (now AdvanSix) signed a nutrient credit agreement which requires H2O Renewal to purchase nitrogen credits from Honeywell at one-half The Exchange credit price. For 2016, we have agreed to purchase 181,985 credits at a cost of \$1.75/credit.
- Chesapeake Bay and James River TMDL. H2O Renewal was invited to participate on DEQ's Regulatory Advisory Panel (RAP) to comment and assist with the development of the chlorophyll a standard for the James River. An introductory meeting was held in late June and additional meetings and conference calls have been held. The primary focus to date has been review of the modeling results and determination of where Chl-a levels should be set.
- Nitrogen Reduction Alternatives Evaluation and Segregated Treatment
 - Phase 2. Construction on the phase 2 nitrogen reduction project is continuing with minor delays in some components resulting in a potential projected 25 day schedule shift. If this holds true, substantial completion will be late March 2017. A project timeline status is provided as part of the meeting agenda.
 - Water Quality Improvement Fund Grant Agreement for Phase 2 Nitrogen Reduction. H2O Renewal is submitting pay request to DEQ as invoices are received. The total grant amount spent through November 2016 is \$42,291,503.23 with a total project amount of \$65,851,381.
- Pretreatment
 - All industries are operating in compliance with current pretreatment permits.
- Sanitary Sewer System
 - Regular sewer point repairs and lining work continues. CCTV work is continuing in 3 previously unevaluated sub-basins and future rehab plans are being developed based on the CCTV work. 90% design plans have been received for sewer line stabilization at Carter Woodson Elementary School and are specs are being prepared for bid.
 - Station Street PS flow evaluation has begun to determine the cause for high flows resulting in multiple wet weather overflow events.
- Lab Certification
 - H2O Renewal's lab certification was re-issued in June 2016.

Hopewell Water Renewal Commission Meeting
January 30, 2017

Milestones in the upcoming timeline

(Italics text indicates actions predicted from a strategic analysis of available information):

2016

- VPDES Permit Effective – August 1
- Complete Installation of Scrubber to Meet SSI MACT Rule – Completed
- Complete Installation of Ash Handling Facility to Meet SSI MACT Rule – Completed
- Laboratory Recertification Due -- Completed
- Nutrient General Permit Re-application Due – December
- *DEQ establishes final TN limits for James River dischargers based on chlorophyll study results*
- Nitrogen Reduction Project - Construction Ongoing
- Comply with SSI MACT Rule – Completed

2017

- Nutrient General Permit Effective -- January
- *Nitrogen Reduction Project Start-up - March*
- *Grant Agreement Compliance Due*
- *New EPA Ammonia Criteria Adopted*

2018

- Stormwater Permit Application Due – December

2019

- *Stormwater Permit Reissued*
- Title V Permit Application Due -- March
- *Title V Permit Reissued*

2020

- *VPDES Permit Application Due*

HOPEWELL REGIONAL WASTEWATER TREATMENT FACILITY
BUDGET PERFORMANCE REPORT

FY 2016-2017 CATEGORY	Oct 1 to Dec 31 2nd Qtr			YTD FY 16-17			Total Budget	Available Balance Percentage
	Actual	Budget	%	YTD FY 15-16	Budget	%	BUDGET	%
Salaries	706,414	717,005		1,501,646	1,533,218		3,066,433	
Benefits	260,861	316,776		520,851	686,761		1,376,649	
TOTAL LABOR	967,275	1,033,781	93.6%	2,022,497	2,219,979	91.1%	4,443,082	54.5%
Power	353,165	465,375		573,553	775,625		1,861,500	
Fuel	66,420	75,000		101,883	125,000		300,000	
TOTAL ENERGY	419,585	540,375	77.6%	675,436	900,625	75.0%	2,161,500	68.8%
OTC	3,529	127,000		3,529	185,000		375,000	
Hypochlorite	172,388	137,500		345,264	270,834		550,000	
Lime	0	0		0	0			
Polymer	56,115	64,000		194,319	128,000		320,000	
Defoamer	12,725	5,000		12,725	5,000		20,000	
Phosphoric	13,070	17,500		21,724	29,167		70,000	
TOTAL CHEMICALS	257,827	351,000	73.5%	577,561	618,000	93.5%	1,335,000	56.7%
Maintenance Supply	342,660	136,750		517,067	247,917		567,000	
Contract Maintenance	61,253	127,000		141,798	246,667		543,000	
Interceptor Maintenance	2,206	3,750		3,324	6,250		15,000	
TOTAL MAINTENANCE	406,119	267,500	151.8%	662,189	500,833	132.2%	1,125,000	41.1%
Utilities	39,794	29,850		53,923	50,350		116,500	
Other Supplies	75,481	74,875		120,647	135,292		309,500	
Consulting	253,722	198,312		307,493	330,520		793,249	
Administration	35,765	40,275		107,125	236,292		302,100	
Residual Disposal	47,500	43,750		110,152	72,917		175,000	
Legal Services	17,934	25,000		17,934	41,667		100,000	
TOTAL MISCELLANEOUS	470,196	412,062	114.1%	717,274	867,037	82.7%	1,796,348	60.1%
GRAND TOTAL	2,521,002	2,604,718	96.8%	4,654,958	5,106,475	91.2%	10,860,931	57.1%

	Flow			BOD			TSS			TN			Other (3A)						Total		
	COS	3A	Delta	COS	3A	Delta	COS	3A	Delta	COS	3A	Delta	COS	Interceptor	Misc	Admin	Total	Delta	COS	3A	Delta
Ashland	\$63,028	\$45,559	(\$17,469)	\$914,355	\$933,368	\$19,013	\$114,036	\$95,633	(\$18,403)	\$437,788	\$430,842	(\$6,946)	\$0	\$2,143	\$93,357	\$56,963	\$152,463	\$152,463	\$1,529,207	\$1,657,865	\$128,658
Westrock	\$660,515	\$477,446	(\$183,069)	\$1,702,973	\$1,738,384	\$35,411	\$3,061,936	\$2,567,805	(\$494,131)	\$191,024	\$187,993	(\$3,031)	\$0	\$2,143	\$93,357	\$219,924	\$315,424	\$315,424	\$5,616,448	\$5,287,052	(\$329,396)
Honeywell	\$287,679	\$207,515	(\$80,164)	\$951,325	\$971,106	\$19,781	\$71,108	\$59,633	(\$11,475)	\$802,395	\$789,664	(\$12,731)	\$0	\$4,286	\$186,714	\$67,803	\$258,803	\$258,803	\$2,112,507	\$2,286,721	\$174,214
Hopewell	\$259,176	\$187,342	(\$71,834)	\$622,404	\$635,346	\$12,942	\$791,956	\$664,151	(\$127,805)	\$400,170	\$393,821	(\$6,349)	\$0	\$4,286	\$186,714	\$0	\$191,000	\$191,000	\$2,073,706	\$2,071,660	(\$2,046)
VAW	\$44,658	\$32,280	(\$12,378)	\$41,552	\$42,416	\$864	\$489,891	\$410,833	(\$79,058)	\$12,744	\$12,542	(\$202)	\$0	\$2,143	\$93,357	\$23,410	\$118,910	\$118,910	\$588,845	\$616,981	\$28,136
Totals	\$1,315,056	\$950,142	(\$364,914)	\$4,232,609	\$4,320,620	\$88,011	\$4,528,927	\$3,798,055	(\$730,872)	\$1,844,121	\$1,814,862	(\$29,259)		\$15,001	\$653,499	\$368,100	\$1,036,600	\$1,036,600	\$11,920,713	\$11,920,279	(\$434)

2017 and 2018 Projection from RFC Cost of Service (COS) Model⁽¹⁾

Ashland Costs	Actual		Estimated		Estimated		Projected		Projected	
	2013	2014	2014	2015	Actual	2016	2017	2017	2018	2018
Flow	\$ 54,051	\$ 53,422	\$ 53,422	\$ 57,407	\$ 62,061	\$ 62,061	\$ 56,874	\$ 56,874	\$ 63,028	\$ 63,028
BOD	927,584	949,487	949,487	879,194	1,039,260	1,039,260	859,206	859,206	914,355	914,355
TSS	66,399	77,334	77,334	84,884	99,858	99,858	107,386	107,386	114,036	114,036
TN										
Interceptor	1,899	1,867	1,867	1,120	6,078	6,078	391,918	391,918	437,788	437,788
Misc.	75,918	79,507	79,507	89,031	117,882	117,882				
Admin.	53,592	54,862	54,862	45,641	53,319	53,319				
Total	\$ 1,179,443	\$ 1,216,479	\$ 1,216,479	\$ 1,157,276	\$ 1,378,458	\$ 1,378,458	\$ 1,415,384	\$ 1,415,384	\$ 1,529,207	\$ 1,529,207

(1) Interceptor, Miscellaneous, and Administrative costs allocated using composite

2017 and 2018 Projection based on 3A Methodology

Ashland Costs	Actual		Estimated		Estimated		Initial		Initial	
	2013	2014	2014	2015	Actual	2016	Projection	Projection	Projection	2018
Flow	\$ 54,051	\$ 53,422	\$ 53,422	\$ 57,407	\$ 62,061	\$ 62,061	\$ 45,559	\$ 45,559	\$ 45,559	\$ 45,559
BOD	927,584	949,487	949,487	879,194	1,039,260	1,039,260	933,368	933,368	933,368	933,368
TSS	66,399	77,334	77,334	84,884	99,858	99,858	95,633	95,633	95,633	95,633
TN										
Interceptor	1,899	1,867	1,867	1,120	6,078	6,078	2,143	2,143	2,143	2,143
Misc.	75,918	79,507	79,507	89,031	117,882	117,882	93,357	93,357	93,357	93,357
Admin.	53,592	54,862	54,862	45,641	53,319	53,319	56,963	56,963	56,963	56,963
Total	\$ 1,179,443	\$ 1,216,479	\$ 1,216,479	\$ 1,157,276	\$ 1,378,458	\$ 1,378,458	\$ 1,458,211	\$ 1,458,211	\$ 1,657,865	\$ 1,657,865

Ashland Historical Loadings				
	2013	2014	2015	2016
Flow (MG)	481.6	435.7	480.0	496.0
BOD (klbs)	6,413.2	5,808.2	6,055.0	6,807.7
TSS (klbs)	620.5	524.8	607.1	658.3
TN (klbs)	-	711,238.7	755,246.0	680,833.8

2017 and 2018 Projection from RFC Cost of Service (COS) Model⁽¹⁾

	Actual 2013	Actual 2014	Estimated Actual 2015	Estimated Actual 2016	COS Projected 2017	COS Projected 2018
Flow	\$ 239,443	\$ 242,389	\$ 268,157	\$ 278,315	\$ 259,589	\$ 287,679
		1.2%	10.6%	3.8%	-6.7%	10.8%
BOD	845,871	850,692	1,122,727	990,774	893,946	951,325
		0.6%	32.0%	-11.8%	-9.8%	6.4%
TSS	45,765	44,915	57,910	60,319	66,962	71,108
		-1.9%	28.9%	4.2%	11.0%	6.2%
TN					718,324	802,395
						11.7%
Interceptor	22,788	3,734	2,239	12,156		
		-83.6%	-40.0%	442.9%		
Misc.	151,835	159,014	178,062	235,764		
		4.7%	12.0%	32.4%		
Admin.	61,249	61,433	66,887	63,466		
		0.3%	8.9%	-5.1%		
Total	\$ 1,366,951	\$ 1,362,178	\$ 1,695,982	\$ 1,640,794	\$ 1,938,820	\$ 2,112,506
		-0.3%	24.5%	-3.3%	18.2%	9.0%

(1) Interceptor, Miscellaneous, and Administrative costs allocated using composite

2017 and 2018 Projection based on 3A Methodology

	Actual 2013	Actual 2014	Estimated Actual 2015	Estimated Actual 2016	Initial Projection 2017	Initial Projection 2018
Flow	\$ 239,443	\$ 242,389	\$ 268,157	\$ 278,315	\$ 207,945	\$ 207,515
		1.2%	10.6%	3.8%	-25.3%	-0.2%
BOD	845,871	850,692	1,122,727	990,774	971,106	971,106
		0.6%	32.0%	-11.8%	-2.0%	0.0%
TSS	45,765	44,915	57,910	60,319	59,633	59,633
		-1.9%	28.9%	4.2%	-1.1%	0.0%
TN					\$ 423,730	\$ 789,664
						86.4%
Interceptor	\$ 22,788	\$ 3,734	\$ 2,239	\$ 12,156	\$ 4,286	\$ 4,286
		-83.6%	-40.0%	442.9%	-64.7%	0.0%
Misc.	\$ 151,835	\$ 159,014	\$ 178,062	\$ 235,764	\$ 186,714	\$ 186,714
		4.7%	12.0%	32.4%	-20.8%	0.0%
Admin.	\$ 61,249	\$ 61,433	\$ 66,887	\$ 63,466	\$ 67,803	\$ 67,803
		0.3%	8.9%	-5.1%	6.8%	0.0%
Total	\$ 1,366,951	\$ 1,362,178	\$ 1,695,982	\$ 1,640,794	\$ 1,921,219	\$ 2,286,722
		-0.3%	24.5%	-3.3%	17.1%	19.0%

	Honeywell Historical Loadings			
	2013	2014	2015	2016
Flow (MG)	2,133.3	1,977.1	2,242.1	2,224.5
BOD (klbs)	5,848.3	5,203.8	7,732.2	6,489.8
TSS (klbs)	427.7	304.8	414.2	397.3
TN (klbs)	-	1,283,360.7	1,426,560.3	1,225,769.8



2017 and 2018 Projection from RFC Cost of Service (COS) Model⁽¹⁾

	Actual 2013	Actual 2014	Estimated Actual 2015	Estimated Actual 2016	COS Projected 2017	COS Projected 2018
Hopewell Costs						
Flow	\$ 213,718	\$ 242,839	\$ 226,924	\$ 241,113	\$ 233,869	\$ 259,176
		13.6%	-6.6%	6.3%	-3.0%	10.8%
BOD	678,958	651,614	628,273	671,183	584,864	622,404
		-4.0%	-3.6%	6.8%	-12.9%	6.4%
TSS	591,171	665,987	567,975	584,635	745,773	791,956
		12.7%	-14.7%	2.9%	27.6%	6.2%
TN					358,242	400,170
						11.7%
Interceptor	3,798	3,734	2,239	12,156		
		-1.7%	-40.0%	442.9%		
Misc.	151,835	159,014	178,062	235,764		
		4.7%	12.0%	32.4%		
Admin.						
Total	\$ 1,639,480	\$ 1,723,188	\$ 1,603,472	\$ 1,744,852	\$ 1,922,748	\$ 2,073,706
		5.1%	-6.9%	8.8%	10.2%	7.9%

(1) Interceptor, Miscellaneous, and Administrative costs allocated using composite

2017 and 2018 Projection based on 3A Methodology

	Actual 2013	Actual 2014	Estimated Actual 2015	Estimated Actual 2016	Initial Projection 2017	Initial Projection 2018
Hopewell Costs						
Flow	\$ 213,718	\$ 242,839	\$ 226,924	\$ 241,113	\$ 187,342	\$ 187,342
		13.6%	-6.6%	6.3%	-22.3%	0.0%
BOD	678,958	651,614	628,273	671,183	635,346	635,346
		-4.0%	-3.6%	6.8%	-5.3%	0.0%
TSS	591,171	665,987	567,975	584,635	664,151	664,151
		12.7%	-14.7%	2.9%	13.6%	0.0%
TN					\$ 211,323	\$ 393,821
						86.4%
Interceptor	3,798	3,734	2,239	12,156	4,286	4,286
		-1.7%	-40.0%	442.9%	-64.7%	0.0%
Misc.	151,835	159,014	178,062	235,764	186,714	186,714
		4.7%	12.0%	32.4%	-20.8%	0.0%
Admin.						
Total	\$ 1,639,480	\$ 1,723,188	\$ 1,603,472	\$ 1,744,852	\$ 1,889,162	\$ 2,071,661
		5.1%	-6.9%	8.8%	8.3%	9.7%

Hopewell Historical Loadings				
	2013	2014	2015	2016
Flow (MG)	1,904.1	1,980.8	1,897.3	1,927.2
BOD (klbs)	4,694.2	3,986.1	4,326.9	4,396.4
TSS (klbs)	5,524.2	4,519.2	4,062.4	3,851.1
TN (klbs)	-	677,907.9	650,262.5	634,636.6

Flow (MG)
BOD (klbs)
TSS (klbs)
TN (klbs)

2017 and 2018 Projection from RFC Cost of Service (COS) Model⁽¹⁾

VAWCO Costs	Actual 2013	Actual 2014	Estimated Actual 2015	Estimated Actual 2016	COS Projected 2017	COS Projected 2018
Flow	\$ 39,264	\$ 43,336	\$ 38,637	\$ 40,507	\$ 40,297	\$ 44,658
		10.4%	-10.8%	4.8%	-0.5%	10.8%
BOD	33,073	47,774	43,690	38,984	39,046	41,552
		44.4%	-8.5%	-10.8%	0.2%	6.4%
TSS	249,810	409,161	372,886	341,144	461,323	489,891
		63.8%	-8.9%	-8.5%	35.2%	6.2%
TN					11,409	12,744
						11.7%
Interceptor	1,899	1,867	1,120	6,078		
		-1.7%	-40.0%	442.9%		
Misc.	75,918	79,507	89,031	117,882		
		4.7%	12.0%	32.4%		
Admin.	19,039	27,471	22,392	21,913		
		44.3%	-18.5%	-2.1%		
Total	\$ 419,003	\$ 609,115	\$ 567,755	\$ 566,507	\$ 552,076	\$ 588,846
		45.4%	-6.8%	-0.2%	-2.5%	6.7%

VAWCO Historical Loadings	2013	2014	2015	2016
Flow (MG)	349.8	353.5	323.0	323.8
BOD (klbs)	228.7	292.2	300.9	255.4
TSS (klbs)	2,334.4	2,776.5	2,667.1	2,247.2
TN (klbs)	-	21,005.0	19,539.0	21,966.7

Flow (MG) 349.8 353.5 323.0 323.8
 BOD (klbs) 228.7 292.2 300.9 255.4
 TSS (klbs) 2,334.4 2,776.5 2,667.1 2,247.2
 TN (klbs) - 21,005.0 19,539.0 21,966.7

(1) Interceptor, Miscellaneous, and Administrative costs allocated using composite

2017 and 2018 Projection based on 3A Methodology

VAWCO Costs	Actual 2013	Actual 2014	Estimated Actual 2015	Estimated Actual 2016	Initial Projection 2017	Initial Projection 2018
Flow	\$ 39,264	\$ 43,336	\$ 38,637	\$ 40,507	\$ 32,280	\$ 32,280
		10.4%	-10.8%	4.8%	-20.3%	0.0%
BOD	33,073	47,774	43,690	38,984	42,416	42,416
		44.4%	-8.5%	-10.8%	8.8%	0.0%
TSS	249,810	409,161	372,886	341,144	410,833	410,833
		63.8%	-8.9%	-8.5%	20.4%	0.0%
TN					6,730	12,542
						86.4%
Interceptor	1,899	1,867	1,120	6,078	2,143	2,143
		-1.7%	-40.0%	442.9%	-64.7%	0.0%
Misc.	75,918	79,507	89,031	117,882	93,357	93,357
		4.7%	12.0%	32.4%	-20.8%	0.0%
Admin.	19,039	27,471	22,392	21,913	23,410	23,410
		44.3%	-18.5%	-2.1%	6.8%	0.0%
Total	\$ 419,003	\$ 609,115	\$ 567,755	\$ 566,507	\$ 611,170	\$ 616,982
		45.4%	-6.8%	-0.2%	7.9%	1.0%

2017 and 2018 Projection from RFC Cost of Service (COS) Model⁽¹⁾

WestRock Costs	Actual		Estimated Actual		Estimated Actual		COS Projected	
	2013	2014	2015	2016	2017	2018	2017	2018
Flow	\$ 506,544	\$ 557,070	\$ 622,428	\$ 631,420	\$ 596,021	\$ 660,515		
BOD	1,641,475	1,718,128	1,781,771	1,830,806	1,600,258	1,702,973		
TSS	2,233,516	2,023,373	2,470,933	2,529,963	2,883,381	3,061,936		
TN					171,009	191,024		
Interceptor	1,899	1,867	1,120	6,078				
Misc.	75,918	79,507	89,031	117,882				
Admin.	212,271	206,862	203,864	205,856				
Total	\$ 4,671,623	\$ 4,586,807	\$ 5,169,147	\$ 5,322,005	\$ 5,250,669	\$ 5,616,447	-1.3%	7.0%

	WestRock Historical Loadings			
	2013	2014	2015	2016
Flow (MG)	4,513.0	4,543.9	5,204.2	5,046.8
BOD (klbs)	11,349.0	10,510.1	12,271.0	11,993.1
TSS (klbs)	20,871.3	13,730.2	17,673.3	16,665.3
TN (klbs)	-	271,173.0	336,766.8	329,018.1

Flow (MG) 4,513.0 4,543.9 5,204.2 5,046.8
 BOD (klbs) 11,349.0 10,510.1 12,271.0 11,993.1
 TSS (klbs) 20,871.3 13,730.2 17,673.3 16,665.3
 TN (klbs) - 271,173.0 336,766.8 329,018.1

(1) Interceptor, Miscellaneous, and Administrative costs allocated using composite

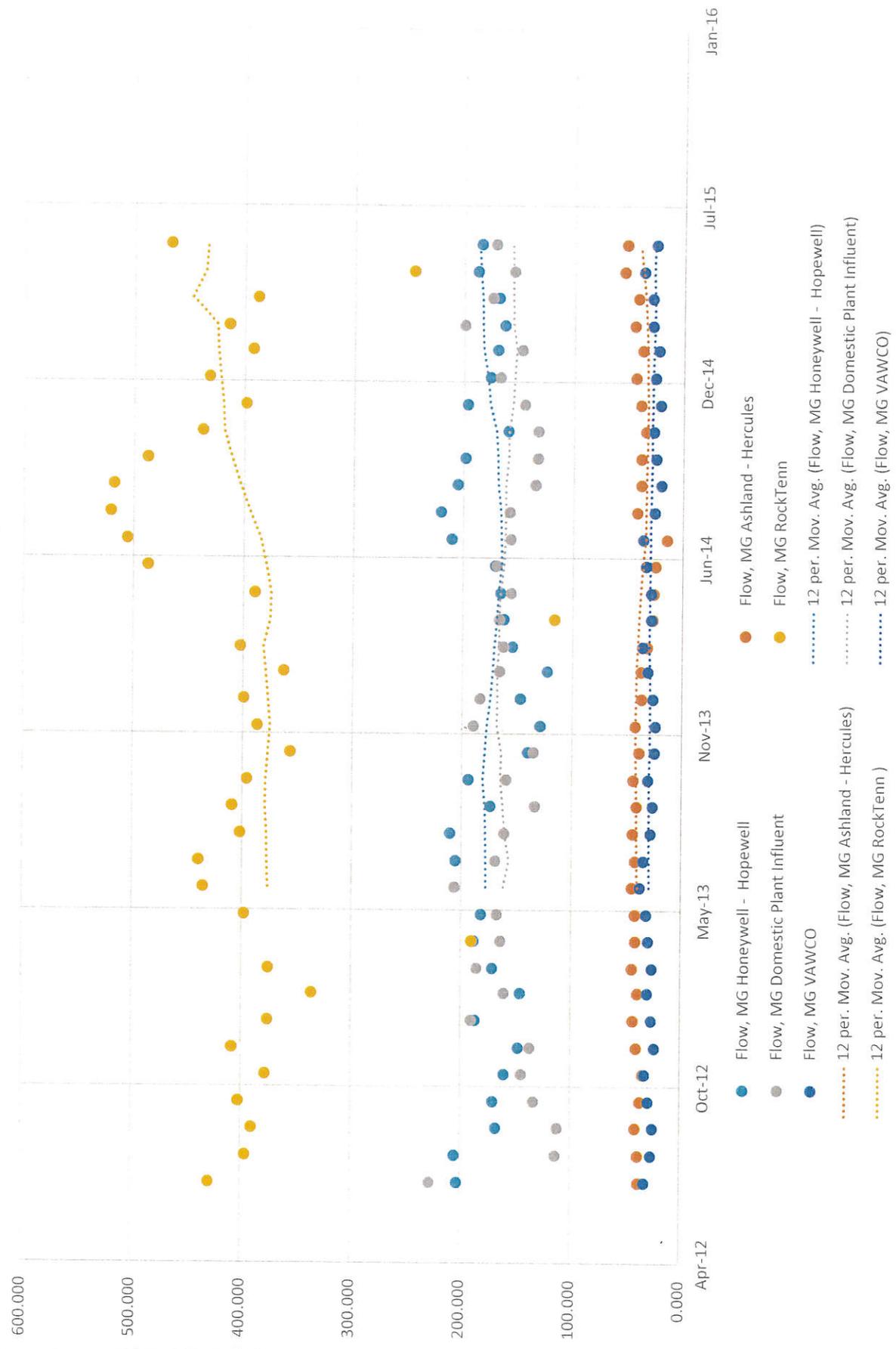
2017 and 2018 Projection based on 3A Methodology

WestRock Costs	Actual		Estimated Actual		Estimated Actual		Initial Projection	
	2013	2014	2015	2016	2017	2018	2017	2018
Flow	\$ 506,544	\$ 557,070	\$ 622,428	\$ 631,420	\$ 477,446	\$ 477,446		
BOD	1,641,475	1,718,128	1,781,771	1,830,806	1,738,384	1,738,384		
TSS	2,233,516	2,023,373	2,470,933	2,529,963	2,567,805	2,567,805		
TN					100,876	187,993		
Interceptor	1,899	1,867	1,120	6,078	2,143	2,143		
Misc.	75,918	79,507	89,031	117,882	93,357	93,357		
Admin.	212,271	206,862	203,864	205,856	219,924	219,924		
Total	\$ 4,671,623	\$ 4,586,807	\$ 5,169,147	\$ 5,322,005	\$ 5,199,936	\$ 5,287,052	-2.3%	1.7%

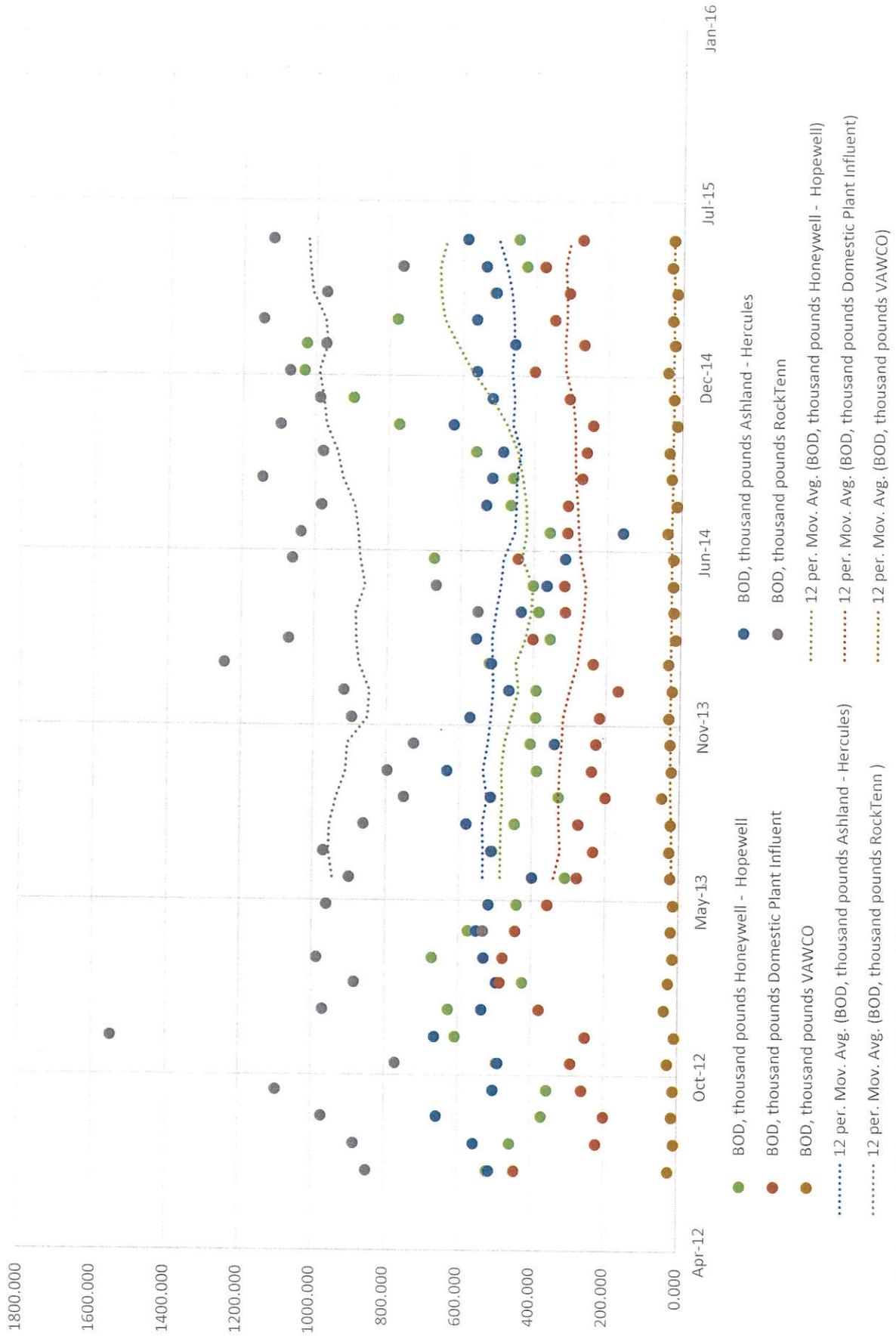
Flow \$ 506,544 \$ 557,070 \$ 622,428 \$ 631,420 \$ 477,446 \$ 477,446
 BOD 1,641,475 1,718,128 1,781,771 1,830,806 \$ 1,738,384 \$ 1,738,384
 TSS 2,233,516 2,023,373 2,470,933 2,529,963 \$ 2,567,805 \$ 2,567,805
 TN \$ 100,876 \$ 187,993
 Interceptor \$ 1,899 \$ 1,867 \$ 1,120 \$ 6,078 \$ 2,143 \$ 2,143
 Misc. \$ 75,918 \$ 79,507 \$ 89,031 \$ 117,882 \$ 93,357 \$ 93,357
 Admin. \$ 212,271 \$ 206,862 \$ 203,864 \$ 205,856 \$ 219,924 \$ 219,924
Total \$ 4,671,623 \$ 4,586,807 \$ 5,169,147 \$ 5,322,005 \$ 5,199,936 \$ 5,287,052

Flow, MG				BOD, thousand pounds				TSS, thousand pounds						
Honeywell - Hopewell	Ashland - Hercules	Domestic Plant Influent	RockTenn	VAWCO	Honeywell - Hopewell	Ashland - Hercules	Domestic Plant Influent	RockTenn	VAWCO	Honeywell - Hopewell	Ashland - Hercules	Domestic Plant Influent	RockTenn	VAWCO
2117.5	465.8	1921.9	4753.7	342.1	6261.4	6092.1	3670.0	11376.7	273.9	382.2	584.1	4709.7	16365.2	2592.6
9,600.92				27,674.24				24,633.81						

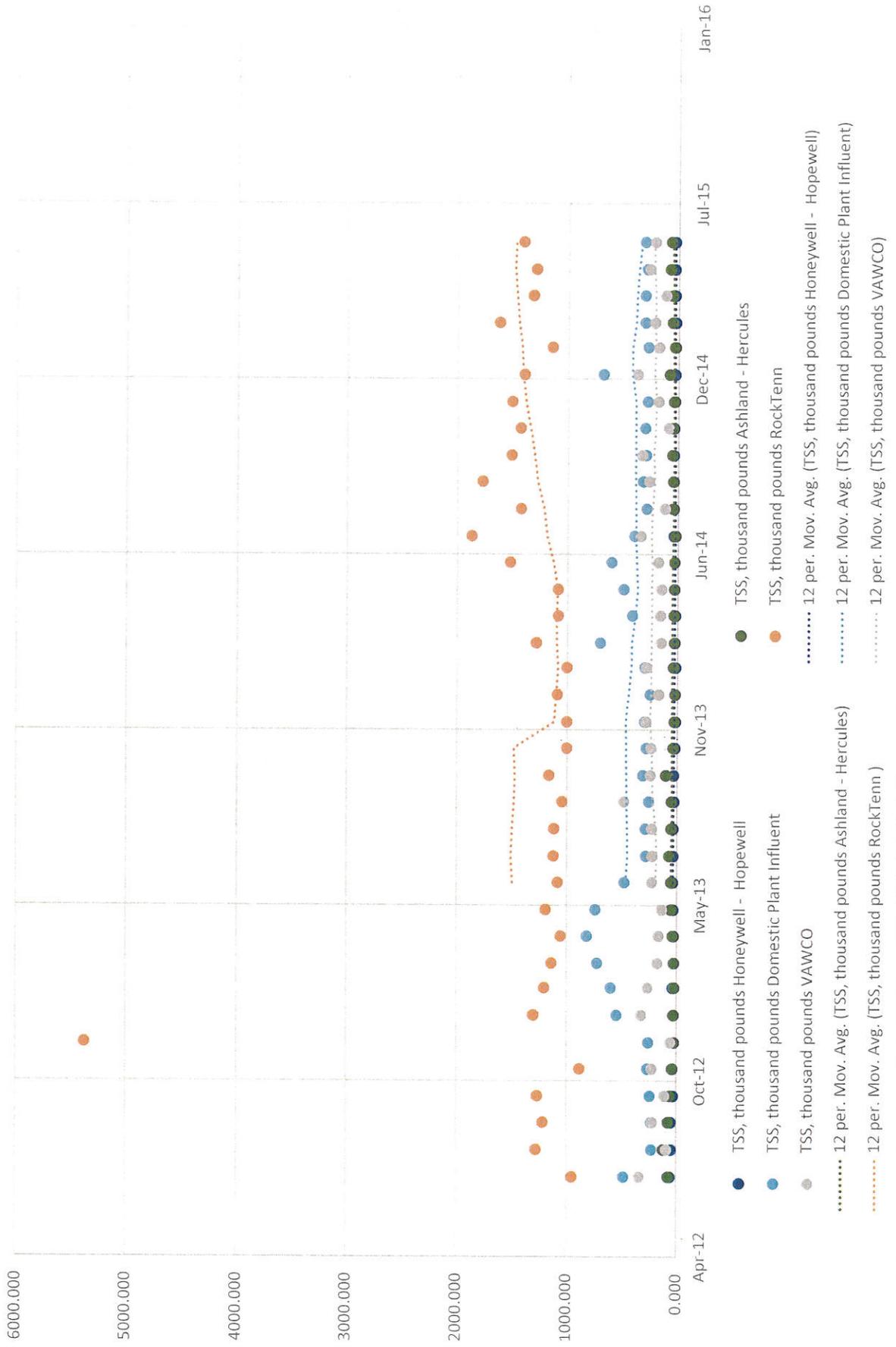
FY 13 through FY 15 Flow (mgal)
w/ annual moving average



FY 13 through FY 15 BOD (klbs)
w/ annual moving average



FY 13 through FY 15 TSS (klbs) w/ annual moving average



HRWTF Phase 2 Nitrogen Reduction Project Timeline Status

June 13, 2014	City Manager signed the PPEA comprehensive agreement with Hopewell Nutrient Partners (HNP) to proceed with the phase 2 project.
July 15, 2014	Notice to proceed with the project issued to HNP.
July 16, 2014	Purchased \$4 million of MBBR media to avoid price increases due to cost of Euro and oil price increases. Saved the project \$635,000.
July 28, 2014	Commission meeting – approved language for the Second Supplement to the 1995 HRWTF Commission Agreement.
August 1, 2014	Virginia Resource Authority (VRA) application submitted to participate in VRA's November bond sale.
August 7, 2014	Kick-off meeting held with HNP to set the schedules for design and construction of the project. Construction scheduled for completion in January 2017.
August 12, 2014	City Council approved Second Supplement Agreement to 1995 HRWTF Agreement.
August 19, 2014	Modification of the WQIF Grant Agreement approved by DEQ Director. Cost of the project modified to \$76,328,041 with a \$49,129,657 grant. Also includes a \$3,153,374 construction contingency of 5%. HNP cost for project is \$70,410,599. Third part design review and construction inspection cost is \$2,681,664.
September 2014	Final Engineering Report submitted to DEQ for review along with application for certificate to construct.
September 2014	City of Hopewell application for site disturbance permit submitted.
September 9, 2014	Second pre-construction and design review meeting held with HNP.
October 2014	Construction trailers set up on site.
October 8, 2014	Third pre-construction and design review meeting held with HNP.
November 2014	Began receiving MBBR media. Shipments will be sent monthly for 19 months until all media is received.
November 12, 2014	Fourth pre-construction and design review meeting held with HNP.
November 19, 2014	Bond sale closing. Borrowed \$5 million. Honeywell and RockTenn agreed to make monthly cash payments for their percentage of costs over the course of the project.
December 3, 2014	Certificate to Construct issued by DEQ.

December 10, 2014	City issued Site Disturbance Permit.
December 15, 2014	Site clearing began.
December 16-17, 2014	60% Design review conducted and fifth construction meeting held with HNP.
January 2015	Oxycharger equipment received and installed.
January 13, 2015	60% Design comment review meeting conducted with Hazen and Sawyer.
January 14, 2015	Sixth construction meeting held with HNP.
January 16, 2015	Hazen and Sawyer and HRWTF comments on 60% design submitted to HNP.
February 11, 2015	Seventh construction meeting held with HNP.
February 24, 2015	Minor new source review air permit issued for Phase 2 project
February 28, 2015	Revised Certificate to Construct issued to incorporate changes that included deletion of UNOX first stage mixers and installation of third domestic screen.
March 11, 2015	Eighth construction meeting held with HNP.
April 13, 2015	Ninth construction meeting held with HNP.
April 10, 2015	City of Hopewell Building Permit for concrete work issued.
April 23, 2015	90% design review meeting held.
May 4, 2015	Chlorine Contact Tank (CCT) excavation complete, rebar & concrete work begins.
May 13, 2015	Tenth monthly construction meeting held with HNP
May 21, 2015	DAF surcharge pile complete
May 28, 2015	First CCT concrete slab pours begin
June 2, 2015	MBBR surcharge settlement complete, removal begins
June 10, 2015	Final monthly construction meeting held with HNP, switching to weekly coordination meetings
June 29, 2015	DAF units 1 & 2 received and stored offsite.
July 14, 2015	Balance of Permit design complete, package being prepared for permit review. Tower crane assembled
September 1, 2015	CCT concrete pours completed. MBBR rebar work begins. All surcharge removal complete. Ash Loading Facility change order approved.
September 22, 2015	60% of media received. Electrical duct bank installation underway. First MBBR concrete slab pours and DAF piping being installed.

October 15, 2015	CCT Concrete cores taken from 3 slab sections for strength testing and evaluation due to low test cylinder break numbers from that batch of concrete.
October 20, 2015	Honeywell valve tie-in preparation begins. MBBR air piping and sieves received.
November 2, 2015	Fine screen and associated equipment received. Anticipate installation during 1 st quarter of 2016.
November 4, 2015	Valve Tie-in on Honeywell discharge line to GRPS done (4 hour Honeywell shutdown required). MBBR IPS excavation began.
November 10, 2015	MBBR wall rebar begins with base slab continuation. MBBR IPS mud mat poured.
November 24, 2015	MBBR base slab complete.
December 1, 2015	DAF & Blower Building footings formed and poured, MBBR IPS base slab poured. Ash Handling Facility subsurface utility relocation complete.
January 12, 2016	195 loads of media received, 33 loads remain. CCT filled with NPW to prep for leak test. 1,100 LF of HDPE pipe fused and installed beginning at Hummel Ross Road.
February 9, 2016	Ash Handling Facility building slab poured. Installation prep for 3 rd fine screen complete.
March 1, 2016	Temporary Ash Handling enclosure constructed and sealed up. Ash building begins construction. Sheeting work at Gravelly Run PS begins.
March 15, 2016	Third fine screen installed. DAF concrete slab pours begin.
March 22, 2016	Gravelly Run PS excavation begins. MBBR IPS leak test underway.
April 5, 2016	Three DAF Units set in place. MBBR IPS leak test complete and backfill begins. Sodium hydroxide tank pads poured.
April 12, 2016	HNP Requesting 30 day extension on project due to weather delays. Final media delivery has been shipped and will be received by end of April. GRPS excavation complete, mud-mat poured and slab form work underway.
April 14, 2016	Meeting held with DEQ to discuss start-up and issuance of certificate to operate. DEQ agreed no CTO needed to start up the new chlorine contact tank. CTO would be issued once MBBR achieves nitrogen reduction.
April 21, 2016	All media received and stored at old primary plant. GRPS base slab poured. Blower building slab complete & NaOH concrete containment structure complete. DAF building construction underway.
May 3, 2016	Begin MBBR structural channel slabs and walkway form work.
May 10, 2016	DAF building work continues. DAF piping installation has begun. Blower building framing underway. CCT gates and equipment installed.
May 17, 2016	World Water Works on site to assist with DAF setup and installation.
May 31, 2016	Ash Handling Facility substantially complete and fully operational. DAF building nearing completion. Blower building walls going up.

June 6, 2016	MBBR IPS top slab complete. IPS and NaOH buildings delivered. MBBR channel slabs and walls continue.
June 21, 2016	HDPE force main pipe install completed. Polymer feed equipment installation underway. NaOH containment structure coatings complete. GRPS leak test in process.
July 12, 2016	DAF & Blower building doors installed. NaOH tanks delivered and set in place. GRPS leak test complete and acceptable. MBBR IPS coating prep underway.
August 2, 2016	GRFM pressure test begins on HDPE pipe.
August 4, 2016	Conference call with Dominion Power, HDR & DEQ to finalize substation upgrade and confirm grant eligibility.
August 9, 2016	MBBR equipment installation begins in Train 1 with screens and mixers. GRFM pressure test completed.
August 22, 2016	Dominion substation upgrade work begins.
September 9, 2016	CCT Floor coating completed. MBBR Recycle Station equipment installation underway. MBBR equipment installation in Train 2 begins.
September 20, 2016	MBBR Equipment install begins in Train 3. Addition of potable water hydrant for fire protection and upsize of proposed 3" water line to 8" will result in a change order (OCO#4).
September 27, 2016	GRPS Electrical building pad complete and building being erected.
October 4, 2016	MBBR structural concrete pour out complete. Grinding and patching tie holes and caulking underway. Fiber optic lines being run on site. Dominion work delayed due to weather and Hurricane Matthew crew re-allocation.
October 11, 2016	MBBR Equipment installation in Trains 3 & 4. MBBR IPS above ground valves and piping installed. GRPS Flow Control Structure concrete begins.
October 25, 2016	Dominion Substation Upgrade, side 1 complete and switched over. Work on side 2 begins.
November 8, 2016	WWW MBBR equipment installation near complete. MBBR gates begin installation and prepping Train 1, 2 & 3 for filling. Subcontractor for storm drain and curb & gutter remobilized. Manufacturer equipment checkouts begin.
November 30, 2016	Phase II start up meeting held with HNP and WWW. On track for March timeframe.
December 6, 2016	GRPS wet well top poured. IPS flow straighteners installed and pump piping installed.
December 13, 2016	MBBR leak injection underway on all exterior wall and some interior walls. Hand rail and grating complete.
January 24, 2017	GRPS wet well leak test underway. IPS pump startup and testing complete. Dominion Substation side 2 complete and switched over. Minor DVP site work remains.

CITY OF
HOPWELL
WATER RENEWAL



PROCLAMATIONS

§

RESOLUTIONS

§

PRESENTATIONS

Proclamation

OFFICE OF MAYOR JACKIE M. SHORNAK

City of Hopewell, Virginia

In Memory of



Juanita Coles Chambers

Whereas, it is with deepest sympathy that I join with the citizens of the City of Hopewell, Virginia and its City Council in mourning the loss of Juanita Coles Chambers.

Whereas, Mrs. Chambers graduated from Carter G. Woodson School in 1949 as valedictorian at age 16. She received her Bachelor's and Master's degrees from Virginia State University. In 1953, she came to teach in Hopewell. She taught at Carter G. Woodson, James E. Mallonee Junior High School and the Harry E. James Occupational Work Center. She worked as principal of Harry E. James from 1972 to 1986. Mrs. Chambers later served as supervisor of secondary education in Hopewell until her retirement in 1988. In 1989, she was appointed to the School Board and at one time served as its Vice Chair. She also served as a member of the Appomattox Regional Governor's School Board. In 2005, she established the Juanita and Wilson Chambers Scholarship. She retired again in 2010 after 57 years of loyal service in education.

Whereas, Her many honors include the NAACP Woman of the Year Award for the City of Hopewell in 1990, and the African American Distinguished Service Award from the Hopewell School Board in 2003. In April 2011 Mrs. Chambers was honored with a dedication ceremony re-naming the multipurpose room of the renovated Carter G. Woodson Middle School, the "Juanita Coles Chambers Multipurpose Room."

Whereas, She was the second eldest of five children born to the late Rufus Dennis Coles and Florence Briggs Coles. At an early age, she accepted Christ and joined Friendship Baptist Church. On July 19, 1958, she married Wilson Douglas Chambers Jr. They remained married for 46 years until his death in 2004. No children were born of this union. Mrs. Chambers leaves to cherish her memory: one sister, Bernice C. Whitsett; three nieces, Wanda Lee Jiggetts, Karen D. Maynard (Jerry), and Revenda L. Bannerman (Roosevelt); five nephews, Vincent A. Lee, Jr., John J. Dennis, Jr. (Jewel), Rufus Coles (Maria), Rodney E. Coles Sr., (Joan), and David E. Coles Sr.; her many grand-nieces and nephews; faithful friends, Avon L. Miles, Sr. and Gloria Bailey; and a host of other relatives and friends.

Whereas, there are no words to ease the pain of such a devastating loss. We share a poem by Sue Walkinshaw reads in small part: "feel the warmth upon my face as I enter the land of God's good grace. Friends and loved ones gone before, waiting here beyond the door...Libraries stacked with books galore, history science and many more..."

NOW, THEREFORE, I Jackie M. Shornak, Mayor of the City of Hopewell, Virginia, do hereby offer sincere condolences to the family and friends of **Juanita Coles Chambers**. I humbly request that all citizens join with me in extending our prayers to the family and friends of Mrs. Chambers during this time of bereavement.

IN WITNESS WHEREOF, I have hereunto set my hand and caused to be affixed the Great Seal of the City of Hopewell in the Commonwealth of Virginia this 5th day of April 2017.

Jackie M. Shornak
Mayor of the City of Hopewell

Proclamation



OFFICE OF MAYOR JACKIE M. SHORNAK

Declaring April Fair Housing Month

Whereas, In 1968, President Lyndon Baines Johnson, signed the Fair Housing Act into law. This landmark legislation sought to protect individuals' ability to own or rent property free from discrimination. In 1988, Virginia solidified its commitment to this basic right by passing the Virginia Fair Housing Amendment Act, which prohibits discrimination based on race, color, religion, sex, national origin, family status or disability.

Whereas, These acts were conceived with a noble goal in mind: affording all Americans the opportunity to pursue their American Dream and seek the housing of their choice. Hopewell truly knows the meaning of diversity and understands that our differences make us stronger, not weaker.

Whereas, Each year, the month of April is dedicated to reaffirming our commitment to equality of opportunity in the housing industry.

Whereas, At this time, I encourage all citizens of Hopewell to support fair housing practices so we can build an even brighter future.

NOW, THEREFORE, the Mayor and City Council of the City of Hopewell proclaim the month of April as Fair Housing Month and urge the citizens of Hopewell to continue to work together to support fair housing practices within our community.

IN WITNESS WHEREOF, I have hereunto set my hand and caused to be affixed the Great Seal of the City of Hopewell, in the Commonwealth of Virginia, this ____ day of April, 2017.

Jackie M. Shornak
Mayor of the City of Hopewell



APPOMATTOX

REGIONAL LIBRARY SYSTEM

The Board of Trustees of the Appomattox Regional Library System invite you to save the date:

Saturday, April 22, 2017

You are invited to celebrate the 10th Anniversary of the Opening of the
Hopewell Library.

Festivities begin at 10 a.m. with a Welcome and Remarks

Family activities, History Program with Jeanie Langford, Music by “The Brass Quintet” of the 392d Army Band

Refreshments sponsored by the Hopewell/Prince George Friends of the Library

For more information, please email bmanning@arls.org or call 804-458-6329 extension 2005.

PH-1

Public Hearing

CITY OF HOPEWELL

NOTICE OF PUBLIC HEARING

Pursuant to Virginia Code § 58.1-3007, the City Council of the City of Hopewell will hold a Public Hearing on Tuesday, April 11, 2017, at 7:30 p.m. in the City Council Chambers, Municipal Building, 300 N. Main St., Hopewell, Virginia.

The purpose of the Public Hearing is to receive public comments regarding:

PROPOSED REAL PROPERTY TAX LEVY INCREASE

The Hopewell City Manager recommends an increase to the real property tax rate of \$1.17 per \$100 of assessed value. The rate would be \$0.04 per \$100, or 3.5 percent.

TAX RATES		
	2016	Proposed 2017
Real Estate	\$ 1.13	\$ 1.17
Personal Property	\$ 3.50	\$ 3.50
Business Personal Property	\$ 3.50	\$ 3.50
Machinery & Tools	\$ 3.05	\$ 3.05

For additional information contact: Mark Haley, Hopewell City Manager, 541-2243.

EQUAL OPPORTUNITY/AFFIRMATIVE ACTION EMPLOYER

**REGULAR
BUSINESS
REPORTS OF
THE CITY
MANAGER**

R-1



CITY OF HOPEWELL CITY COUNCIL ACTION FORM

Strategic Operating Plan Vision Theme:

- Civic Engagement
- Culture & Recreation
- Economic Development
- Education
- Housing
- Safe & Healthy Environment
- None (Does not apply)

Order of Business:

- Consent Agenda
- Public Hearing
- Presentation-Boards/Commissions
- Unfinished Business
- Citizen/Councilor Request
- Regular Business
- Reports of Council Committees

Action:

- Approve and File
- Take Appropriate Action
- Receive & File (no motion required)
- Approve Ordinance 1st Reading
- Approve Ordinance 2nd Reading
- Set a Public Hearing
- Approve on Emergency Measure

COUNCIL AGENDA ITEM TITLE: Approval of \$250,000 Supplemental Appropriation from Unassigned Fund Balance and \$73,000 Budget Transfer of Finance Department line items to Increase FY 2017 General Fund/Finance Budget for Additional Audit, Consulting and Other Professional Service Costs to be incurred through June 30, 2017

ISSUE: Current FY 2017 General Fund Revised Budget is insufficient to cover estimated audit, consulting and other professional service costs to be incurred through June 30, 2017

RECOMMENDATION: Approve Supplemental FY 2017 General Fund Budget Resolution

TIMING: Additional General Fund/Finance funding is needed immediately in April 2017

BACKGROUND: Adopted FY 2017 General Fund/Finance Budget doesn't reflect funding levels based on current spending trends

FISCAL IMPACT: Net Increase in FY 2017 General Fund/Finance Budget by \$250,000

ENCLOSED DOCUMENTS: Supplemental FY 2017 General Fund Budget Resolution

STAFF: Lance W. Wolff, Interim Director of Finance

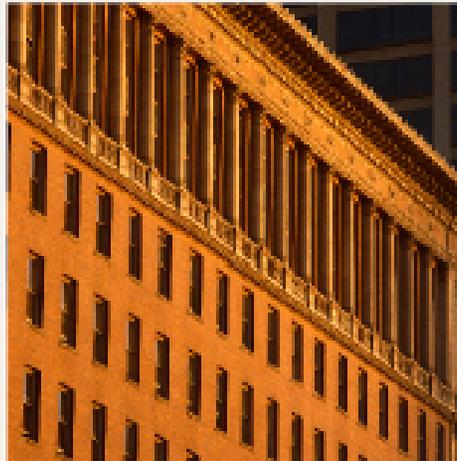
SUMMARY: FY 2017 General Fund/Finance Budget shortfall is expected based on current spending trends for audit, consulting and other professional services through June 30, 2017

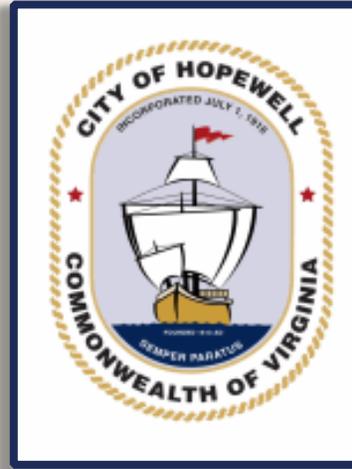
Y	N	
<input type="checkbox"/>	<input type="checkbox"/>	Mayor, Jackie M. Shornak Ward #7
<input type="checkbox"/>	<input type="checkbox"/>	Vice Mayor Jasmine Gore, Ward #4
<input type="checkbox"/>	<input type="checkbox"/>	Councilor Christina Luman-Bailey, Ward #1

Y	N	
<input type="checkbox"/>	<input type="checkbox"/>	Councilor Arlene Holloway, Ward #2
<input type="checkbox"/>	<input type="checkbox"/>	Councilor Anthony Zevgolis, Ward #3
<input type="checkbox"/>	<input type="checkbox"/>	Councilor Janice Denton, Ward #5
<input type="checkbox"/>	<input type="checkbox"/>	Councilor Brenda Pelham, Ward #6

R-2

Public Sector Advisors





City of Hopewell, Virginia Classification and Compensation Study

Ann Antonsen, Vice President

April 11, 2017

Objectives

- Review and evaluate the City's current classification and compensation program
- Review and revise job descriptions
- Determine current relationship relative to the labor market
- Evaluate the internal ranking of all positions
- Develop a compensation system
- Review and develop administrative guidelines for implementation and maintenance

Methodology

- Discussions with the City Manager and Department Heads
- Employee informational meetings
- Collection of data – Position Analysis Questionnaires
- Review and revision of descriptions
- Evaluate positions based on job requirements
- Obtain market salary and benefits information
- Development of compensation plan
- Assignment of positions to pay grades
- Development of implementation options

Salary Survey

Benchmark Communities - Municipalities

- City of Colonial Heights*
- City of Danville*
- City of Emporia*
- City of Lynchburg
- City of Newport News
- City of Norfolk*
- City of Petersburg*
- City of Richmond*
- City of Suffolk*
- Chesterfield County
- Dinwiddie County*
- New Kent County
- Prince George County*
- Surry County*

**Reflects communities who responded to the survey*

Salary Survey

- 69 positions included in survey
- Comparison of current salaries to market salary ranges
 - 2.11% below average minimum salaries
 - 8.59% below average midpoint salaries
 - 13.86% below average maximum salaries
- Internal pay relationship inequities exist within the City

Job Evaluation

Systematic Analysis and Factor Evaluation (SAFE[®]) System Job Evaluation Factors

Training and Ability	Experience Required
Level of Work	Human Relations Skills
Physical Demands	Working Conditions
Independence of Actions	Impact on End Results
Supervision Exercised	

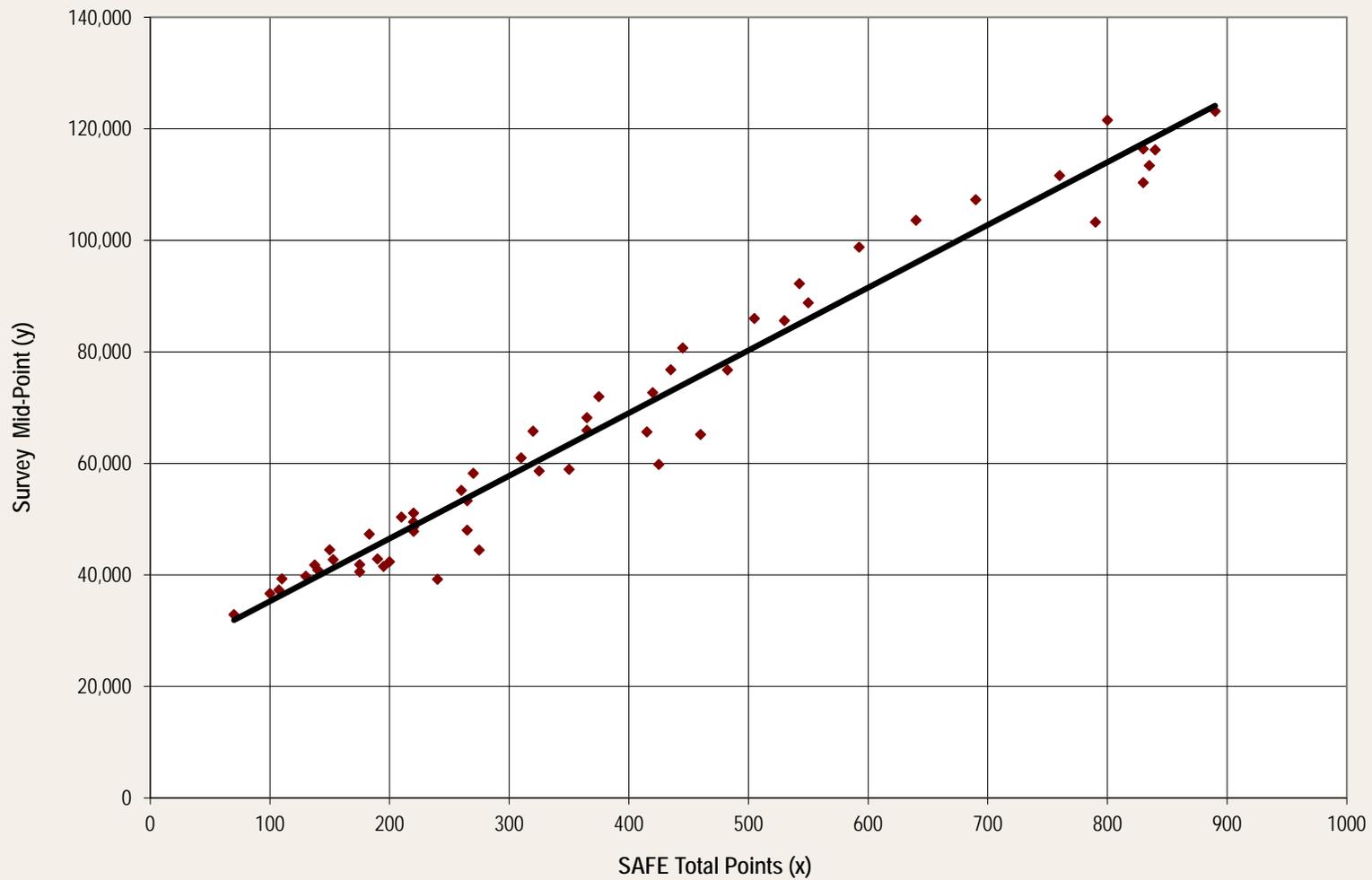
Pay Philosophy

- Provide fair and equitable compensation to employees
- Balance external market and internal equity
- Maintain competitive pay structure with consideration of City's fiscal resources
- Performance based component for individual employee compensation
- Develop an understandable compensation program

Salary Curve

City of Hopewell, Virginia
Compensation Survey

$$y = 112.49x + 24043$$
$$R^2 = 0.9654$$



Development of Compensation Plan

The Proposed Pay Scale:

- Developed utilizing the respondents' survey data and is consistent with the other jurisdictions
- Is an open range system that provides a minimum, midpoint and maximum salary consistent with the survey responses
- Contains thirty-four (34) pay grades with a 6% separation between grades and a minimum to maximum spread of 65%
- Complete survey data can be found in Appendix B

Proposed Pay Scale

	Salary Range		
Grade	Min	Mid	Max
12	20,754.72	27,500.00	34,245.28
13	22,000.00	29,150.00	36,300.00
14	23,320.00	30,899.00	38,478.00
15	24,719.20	32,752.94	40,786.68
16	26,202.35	34,718.12	43,233.88
17	27,774.49	36,801.20	45,827.91
18	29,440.96	39,009.28	48,577.59
19	31,207.42	41,349.83	51,492.24
20	33,079.87	43,830.82	54,581.78
21	35,064.66	46,460.67	57,856.69
22	37,168.54	49,248.31	61,328.09
23	39,398.65	52,203.21	65,007.77
24	41,762.57	55,335.40	68,908.24
25	44,268.32	58,655.53	73,042.73
26	46,924.42	62,174.86	77,425.30
27	49,739.89	65,905.35	82,070.81
28	52,724.28	69,859.67	86,995.06

	Salary Range		
Grade	Min	Mid	Max
29	55,887.74	74,051.25	92,214.77
30	59,241.00	78,494.33	97,747.65
31	62,795.46	83,203.99	103,612.51
32	66,563.19	88,196.23	109,829.26
33	70,556.98	93,488.00	116,419.02
34	74,790.40	99,097.28	123,404.16
35	79,277.82	105,043.12	130,808.41
36	84,034.49	111,345.70	138,656.91
37	89,076.56	118,026.44	146,976.33
38	94,421.16	125,108.03	155,794.91
39	100,086.43	132,614.51	165,142.60
40	106,091.61	140,571.38	175,051.16
41	112,457.11	149,005.67	185,554.23
42	119,204.53	157,946.01	196,687.48
43	126,356.81	167,422.77	208,488.73
44	133,938.21	177,468.13	220,998.05
45	141,974.51	188,116.22	234,257.94

Implementation Options

Option 1 – Move to Minimum of the Recommended Pay Grade

- 21% of the City's employees are paid below the minimum of the proposed salary ranges
- Annual cost is \$162,646 which is equivalent to 0.99% of the City's approximate \$16.4 million annual payroll
- Increases market comparability

Implementation Options *(cont.)*

Option 2 – Move to Minimum or 2% Increase Whichever is Greater

- Provides minimum level of funding to address compression issues
- 100% of employees are impacted
- Annual cost is \$421,946, which is equivalent to 2.57% of the City's approximate \$16.4 million annual payroll
- Includes Adjustments to Minimum
- Increases market comparability

Implementation Options *(cont.)*

Option 3 – Years of service Adjustment

- Addresses salary compression issues
- 100% of employees are impacted
- Annual cost is \$888,518 which is equivalent to 5.41% of the City's approximate \$16.4 million annual payroll
- Includes Adjustments to Minimum
- Provides 0.5% increase per year of service; placing employees within grade

Recommendations

- Approve the proposed “Open Range” salary schedule
- Approve the position placement, which allows for establishment of internal equity among all City positions
- Approve Implementation Option 3 to establish more equitable compensation levels for all employees, addresses compression issues, and brings those employees that are below the market up to market minimums. If implementation is not possible in one (1) year, we would recommend considering phasing in Option 3 over a two (2) to three (3) year period.
- Provide support for ongoing administration of the program via a system of market adjustments and performance based merit increases awarded on the anniversary date of the employees hire or promotion

On-going Administration

Annual Adjustments

- Establish guidelines for base adjustments
 - e.g., Comparable organizations, other economic indicators
- Adjust pay ranges and wages of employees
- Adjustments that recognize individual employee performance

The City's Fringe Benefits

<i>Holiday Leave</i>	Above the survey average of 12 days
<i>Annual and Sick Leave</i>	Consistent with the survey averages as compared to the respondents who offer PTO for most years of service; Below the survey average for 6 months and 14 - 20 or more years of service
<i>Pension and Retirement</i>	Consistent with survey average including the provision of a death benefit
<i>Life Insurance</i>	Consistent with the survey respondents in providing this benefit and above the survey average for the amount contributed
<i>Health Insurance</i>	Consistent with survey respondents in offering insurance to eligible employees and offering different types of coverage; Inconsistent with respondents by not requiring 100% full time employee participation and not compensating employees who choose not to participate
<i>Deferred Compensation</i>	Consistent with survey respondents in providing employees access to a plan and not contributing to the plan

Conclusions

Adoption of the report's recommendations will result in:

- Fair and equitable compensation to employees in a competitive and changing labor market
- Improved opportunities to reduce turnover among current employees and to recruit quality replacements, when needed
- Compensation that addresses internal equity and external market competitiveness
- Establishing a market position that is fiscally responsible with public resources
- Consistent administration of pay policies and procedures among all City staff

R-3

R-4

Medical Renewal FY 17/18

CITY OF HOPEWELL

April 4, 2017

Presented by:
Mary Jones, Senior Consultant at
OneDigital



CITY OF HOPEWELL CITY COUNCIL ACTION FORM

Strategic Operating Plan Vision Theme:

- Civic Engagement
- Culture & Recreation
- Economic Development
- Education
- Housing
- Safe & Healthy Environment
- None (Does not apply)

Order of Business:

- Consent Agenda
- Public Hearing
- Presentation-Boards/Commissions
- Unfinished Business
- Citizen/Councilor Request
- Regular Business
- Reports of Council Committees

Action:

- Approve and File
- Take Appropriate Action
- Receive & File (no motion required)
- Approve Ordinance 1st Reading
- Approve Ordinance 2nd Reading
- Set a Public Hearing
- Approve on Emergency Measure

COUNCIL AGENDA ITEM TITLE: Regular Business

ISSUE: Council to approve the 2017 TLC health care rates and other recommendations as proposed by the OneDigital consultation during the April 4, 2017 council meeting, to include the City discontinuing to pay the health care for the spouses of retirees.

RECOMMENDATION: Approve the 2017 TLC healthcare rates and other recommendations as presented by the One Digital consultant at the April 4, 2017 council meeting, including the recommendation for the City to discontinue paying healthcare for spouses of retirees.

BACKGROUND: The City currently uses The Local Choice, (TLC) as its health care provider. Every year the City offers an Open Enrollment period to allow employees the opportunity to update or change their health care plans. The OneDigital consultant presented to Council on April 4, 2017; however, the presentation was made at a special meeting and not a regular council meeting, therefore, could not be voted on. Additionally, the OneDigital consultant made other recommendations to include having the city discontinue paying healthcare rates for the spouses of retirees.

FISCAL IMPACT: 3.8%

ENCLOSED DOCUMENTS: OneDigital presentation presented to Council on April 4, 2017

STAFF: Renia Coles, Human Resources Director

- | | | |
|--------------------------|--------------------------|---|
| Y | N | |
| <input type="checkbox"/> | <input type="checkbox"/> | Mayor, Jackie M. Shornak Ward #7 |
| <input type="checkbox"/> | <input type="checkbox"/> | Vice Mayor Jasmine Gore, Ward #4 |
| <input type="checkbox"/> | <input type="checkbox"/> | Councilor Christina Luman-Bailey, Ward #1 |

- | | | |
|--------------------------|--------------------------|-------------------------------------|
| Y | N | |
| <input type="checkbox"/> | <input type="checkbox"/> | Councilor Arlene Holloway, Ward #2 |
| <input type="checkbox"/> | <input type="checkbox"/> | Councilor Anthony Zevgolis, Ward #3 |
| <input type="checkbox"/> | <input type="checkbox"/> | Councilor Janice Denton, Ward #5 |
| <input type="checkbox"/> | <input type="checkbox"/> | Councilor Brenda Pelham, Ward #6 |

SUMMARY: Council to approve the 2017 TLC healthcare rates and other recommendations as presented by One Digital at the April 4, 2017 council meeting, including the recommendation for the City to discontinue paying healthcare rates for spouses of retirees.

Y	N	
<input type="checkbox"/>	<input type="checkbox"/>	Mayor, Jackie M. Shornak Ward #7
<input type="checkbox"/>	<input type="checkbox"/>	Vice Mayor Jasmine Gore, Ward #4
<input type="checkbox"/>	<input type="checkbox"/>	Councilor Christina Luman-Bailey, Ward #1

Y	N	
<input type="checkbox"/>	<input type="checkbox"/>	Councilor Arlene Holloway, Ward #2
<input type="checkbox"/>	<input type="checkbox"/>	Councilor Anthony Zevgolis, Ward #3
<input type="checkbox"/>	<input type="checkbox"/>	Councilor Janice Denton, Ward #5
<input type="checkbox"/>	<input type="checkbox"/>	Councilor Brenda Pelham, Ward #6

Renewal Summary and Market

- The Local Choice(TLC) renewal is calling for a 3.8% increase to current for the active employees and pre-Medicare eligible retirees; Medicare eligible retiree Medicare supplement rates are remaining flat
 - Moved to TLC July 1, 2015 resulting in a 13.2% average decrease to the active employees
 - July 1, 2016 – June 30, 2017 TLC renewal resulted in a 0% increase to the active employees
- OneDigital's analysis of the claims experience suggests that the TLC renewal is fair
- Reviewed the SB 364 Local Option which is an option that would closely mimic the benefit plan options available to State employees
 - This option is coming in 24.3% higher than the TLC renewal
 - Allows for two plan options
 - Basic \$300 deductible and HDHP
 - Pricing doesn't included enhanced dental, vision, hearing and out-of-network benefits that are included with The Local Choice program.
 - Routine vision & hearing option available for \$20-\$54 on the basic plan. Not available on the HDHP
 - 4 EAP visits, diagnostic and preventive dental services included on both plans
 - Enhanced dental buy-up available for \$31-84 on both plans

Recommendation

- Continue with TLC offering the three current plan options to active employees and pre-Medicare eligible retirees
 - HDHP
 - Key Advantage 250 Plan
 - Key Advantage Expanded Plan
- Contribution strategy
 - Shift contribution strategy so that the City is giving the same amount regardless if you participate in the Key Advantage 250 or Key Advantage Expanded plan.
 - Employees will still have the option to participate in the Key Advantage Expanded plan; however, they will pay a higher premium to do so
 - Keep the same contribution percentages on the HDHP plan as current
 - Continue contributions to the Health Savings Accounts of \$174 monthly
 - These adjustments would result in the following for the employees:
 - Average increase to the employees enrolled on the HDHP or KA 250 of 3%
 - Average increase to the active employees enrolled in the KA Expanded of 8.4%

Current Rates(FY 16/17)

HDHP	Emp - PER PP	Emp - MONTH	City - MONTH	Total Premium
EE ONLY	\$34.28	\$68.55	\$360.45	\$429.00
EE + SPOUSE	\$97.18	\$194.35	\$599.65	\$794.00
EE + CHILD	\$80.28	\$160.55	\$633.45	\$794.00
EE + CHILDREN	\$80.28	\$160.55	\$997.45	\$1,158.00
EE + FAMILY	\$160.42	\$320.84	\$837.16	\$1,158.00
Key Advantage 250	Emp - PER PP	Emp - MONTH	City - MONTH	Total Premium
EE ONLY	\$53.64	\$107.27	\$489.73	\$597.00
EE + SPOUSE	\$145.88	\$291.75	\$812.25	\$1,104.00
EE + CHILD	\$116.70	\$233.40	\$870.60	\$1,104.00
EE + CHILDREN	\$116.70	\$233.40	\$1,378.60	\$1,612.00
EE + FAMILY	\$247.08	\$494.16	\$1,117.84	\$1,612.00
Key Advantage Expanded	Emp - PER PP	Emp - MONTH	City - MONTH	Total Premium
EE ONLY	\$72.77	\$145.53	\$504.47	\$650.00
EE + SPOUSE	\$205.12	\$410.24	\$792.76	\$1,203.00
EE + CHILD	\$160.25	\$320.50	\$882.50	\$1,203.00
EE + CHILDREN	\$160.25	\$320.50	\$1,434.50	\$1,755.00
EE + FAMILY	\$327.43	\$654.85	\$1,100.15	\$1,755.00

Proposed Base Rates (FY 17/18)

HDHP	Emp - PER PP	Emp - MONTH	City - MONTH	Total Premium
EE ONLY	\$35.63	\$71.27	\$374.73	\$446.00
EE + SPOUSE	\$100.95	\$201.89	\$623.11	\$825.00
EE + CHILD	\$83.40	\$166.80	\$658.20	\$825.00
EE + CHILDREN	\$83.46	\$166.93	\$1,037.07	\$1,204.00
EE + FAMILY	\$166.80	\$333.59	\$870.41	\$1,204.00
Key Advantage 250	Emp - PER PP	Emp - MONTH	City - MONTH	Total Premium
EE ONLY	\$50.50	\$101.00	\$518.00	\$619.00
EE + SPOUSE	\$151.31	\$302.62	\$842.38	\$1,145.00
EE + CHILD	\$121.04	\$242.08	\$902.92	\$1,145.00
EE + CHILDREN	\$120.98	\$241.95	\$1,429.05	\$1,671.00
EE + FAMILY	\$256.11	\$512.22	\$1,158.78	\$1,671.00
Key Advantage Expanded	Emp - PER PP	Emp - MONTH	City - MONTH	Total Premium
EE ONLY	\$79.00	\$158.00	\$518.00	\$676.00
EE + SPOUSE	\$204.31	\$408.62	\$842.38	\$1,251.00
EE + CHILD	\$174.04	\$348.08	\$902.92	\$1,251.00
EE + CHILDREN	\$197.98	\$395.95	\$1,429.05	\$1,825.00
EE + FAMILY	\$333.11	\$666.22	\$1,158.78	\$1,825.00

Retiree Premiums Effective 7/1/2017

- Totally monthly premiums for retirees that are pre-Medicare eligible (typically 65) are as follows:

HDHP	Total Premium
EE ONLY	\$446.00
EE + SPOUSE	\$825.00
EE + CHILD	\$825.00
EE + CHILDREN	\$1,204.00
EE + FAMILY	\$1,204.00
Key Advantage 250	Total Premium
EE ONLY	\$619.00
EE + SPOUSE	\$1,145.00
EE + CHILD	\$1,145.00
EE + CHILDREN	\$1,671.00
EE + FAMILY	\$1,671.00
Key Advantage Expanded	Total Premium
EE ONLY	\$676.00
EE + SPOUSE	\$1,251.00
EE + CHILD	\$1,251.00
EE + CHILDREN	\$1,825.00
EE + FAMILY	\$1,825.00

Totally monthly premium for retirees that are post-Medicare Eligible remain at \$201 per person per month

Retiree Benefits

Study

- OneDigital assisted with conducting a benchmark of local governments and schools in VA to determine the following:
 - How many entities currently have an active retiree class?
 - Of those that have an active retiree class:
 - How long can retirees remain on the plan?
 - Does the entity pay a portion or all of the premiums on behalf of the retiree?
 - Is the retiree class extended to spouses of retirees?
 - Does the entity pay a portion or all of the premiums on behalf of the spouse?
 - Are reimbursements provided to retirees participating in plans outside of the plans offered through the group?

Study continued

- Results of the Study

- 18 local governments and/or schools were included in this study
- 15 entities have an active retiree class
- 15 entities allow retirees to remain on their plans until they become eligible for Medicare (typically age 65)
 - 5 entities don't provide contributions to the pre Medicare eligible retirees
- 13 entities provide access to post Medicare retirees
 - 7 entities don't provide contributions to the post Medicare eligible retirees

Study continued

- Results of the Study

- 15 entities allow spouses to have access to coverage through their group plans
 - 14 entities only allow spouses to have access to their group plans until they become eligible for Medicare
 - 3 entities make premium contributions toward spouses until they become eligible for Medicare
- No entity other than the City of Hopewell allows reimbursement for plans obtained outside of the group offered plans.

Considerations

- Effective July 1, 2017, our recommendation to the City is to discontinue contributions for the spouses of retirees regardless of whether they are pre or post Medicare eligible
- Current policy for spouses: City currently offers coverage to spouses of retirees (with a city contribution) for those that retired BEFORE January 1, 2004
- Proposed change: Effective July 1, 2017 the City discontinues contributions for the spouses of retirees regardless of whether they are pre or post Medicare eligible.
 - Currently there are 32 spouses of retirees receiving contributions from the City which is approximately savings of \$100,000 annually.
 - Spouses may remain on the plan but will be responsible for the premiums as of July 1, 2017.

R-5