



## **AMHERST COUNTY SERVICE AUTHORITY BOARD**

### **MINUTES**

AGENDA  
May 1, 2018

Administration Building - 153 Washington Street - Public Meeting Room  
Amherst, Virginia 24521  
11:00 a.m.

- I. Call to Order**
- II. Citizen Comment**
- III. Approval of Agenda**
- IV. Approval of Minutes**
  - A. Minutes – April 3, 2018
- V. Monthly Financial Report**
  - A. March 2018 Financial Report
- VI. Old Business**
  - A. Director's Report
- VII. New Business**
  - A. ACSA Credit Cards
  - B. VRS Employer Retirement Contribution Rate Election
  - C. James River Bank Stabilization Project
  - D. Credit for City Water Purchased Contract 2017 Billings
- VIII. Matters from Members of Board of Supervisors**
- IX. Adjournment**

### **MINUTES**

At a Regular Meeting of the Amherst County Service Authority Board and held at the Amherst County Administration building thereof on Tuesday, the 1<sup>st</sup> day of May, 2018, at 11:00 a.m., the following members were present:

SERVICE AUTHORITY BOARD:

PRESENT: Claudia D. Tucker, Chair  
L. J. Ayers, III, Vice-Chair

ABSENT: None

David W. Pugh, Jr., Supervisor  
 Kenneth M. Campbell, Supervisor  
 Jennifer R. Moore, Supervisor

STAFF PRESENT: Authority Secretary Dean C. Rodgers  
 Authority Deputy Secretary David R. Proffitt  
 Director of Public Utilities Robert A. Hopkins  
 Operations Manager Glenn Micklem  
 Attorney Jim Guynn for County Attorney Michael Lockaby  
 Executive Assistant Regina M. Rice

**I. Call to Order**

Chair Tucker called the meeting to order at 11:00 a.m.

**II. Citizen Comment**

There was no public comment.

**III. Approval of Agenda**

By motion of Vice-Chair Ayers and with the following vote, the Board approved the Agenda for May 1, 2018.

AYE: Mrs. Tucker, Mr. Ayers, Mr. Pugh, Mr. Campbell and Ms. Moore  
 NAY: None  
 ABSENT: None

**IV. Approval of Minutes**

A. Minutes – April 3, 2018

By motion of Supervisor Pugh and with the following vote, the Board approved the Minutes for April 3, 2018.

AYE: Mrs. Tucker, Mr. Ayers, Mr. Pugh, Mr. Campbell and Ms. Moore  
 NAY: None  
 ABSENT: None

**V. Monthly Financial Report**

A. March 2018 Financial Report

Director of Public Utilities Robert Hopkins provided the Board with the following report:

Compared to Year-to-Date March 2017:

Water sales:	+3.1%
Water revenues:	+3.6%
Connections:	+12.5%
Wastewater sales:	-30.9% *
Wastewater revenues:	-24.0% *
Connections:	+137%
Water & wastewater sales:	-5.8% *
Water & wastewater revenues:	-3.3% *

All revenues: -3.4% \*

- \* Contributing factors:
1. CVTC for Feb.-Mar. not included (rebilling)
  2. CVTC sewer repairs = less stormwater inflow and infiltration, less wastewater billing
  3. CVTC downsizing = less wastewater discharge

This report was for the Board's information only.

## **VI. Old Business**

### **A. Director's Report**

Director of Public Utilities Robert Hopkins provided the Board updates to items in the Director's Report:

1. DEQ proposed wastewater plant rules for ammonia limits in discharges
  - Governor signed bills passed by Senate and House
  - Phased implementation of new rules - more time, but no details yet
  - State funding assistance to be provided - no details yet

Mr. Hopkins advised he is looking to take both plants off-line at the earliest possible date to avoid having to update them, but with several other required and high cost projects coming up in the next 5 - 10 years, it may be awhile before the treatment plants can be decommissioned. This makes DEQ delays in developing details for the recently approved bills beneficial to ACSA.

2. Real estate purchases for Source Water Protection Program
  - 3.41-acre tract on Elon Rd near reservoir to close in May

Mr. Hopkins advised the seller expressed an interest in placing this tract into a conservation easement and anticipated having this resolved soon.

4. James River Bank Stabilization Project
  - 4/6 Industry Day - 10 potential bidders attended (non-attendance does not preclude bidding)
  - 4/6 BCOES review - 4 of the Director's 6 suggestions for cost reduction adopted
  - Appropriation needed (see New Business item)
  - Bike trail east of Fertilizer Rd parking lot will close for construction. Director is coordinating with County Parks & Recreation Dept. and City of Lynchburg.
  - Part of Fertilizer Rd parking lot will be used for contractor parking

Mr. Hopkins advised this project will protect the Madison Heights sewer from falling into the James River, using an excerpt from the sewer installation plans and a recent area photo to demonstrate that 60' to 80' of river bank has been washed away by the river over the last 45 years, leaving the sewer dangerously exposed. He advised the plans and specs are 98% complete.

9. County Business Friendliness Initiative
  - 4/6 EDA consultant Lee Cobb meeting - Mr. Cobb has developed a list of 10 suggested changes regarding ACSA; 2 were addressed at the meeting and five had been previously identified by ACSA staff and were under consideration.
  - 4/11 EDA Board meeting - Cobb recommendations to be proposed at 5/9 EDA Board meeting, 5/17 Planning Commission meeting, and one of the June Board of Supervisors meetings

Mr. Hopkins advised one item that has been proposed by Mr. Cobb is having the Board of Supervisors resign as Board members on the ACSA Board, replacing them with County residents appointed by the Board of Supervisors. He expressed his concern that this could, if there are minimal candidates, result in an ACSA Board packed with developers and business leaders, many of whom have long expressed the need for reduction or elimination of water and sewer availability and connection fees, a significant source of ACSA revenue, the lack of which could cripple ACSA's programs and result in having to raise rates for ACSA water and sewer customers to make up for the revenue loss.

Mr. Hopkins explained the reason given by Mr. Cobb is that Amherst County is one of only four ~~to six~~ PSAs in Virginia that have the same members on the authority Board and on the Board of Supervisors. Mr. Hopkins said he is aware of at least six so constituted. Upon being asked his opinion, he said he is not in favor of changing this and felt it was best to continue having the two boards interconnected.

Chair Tucker requested verification of Mr. Cobb's reasoning said she did not want to accept this as "gospel".

Supervisor Pugh agreed with Mr. Hopkins and said it would appear to be a conflict of interest if the ACSA Board was filled with real estate developers.

Chair Tucker asked Mr. Hopkins to look further into this matter and try to identify more authority boards that are constituted like ACSA.

## **VII. New Business**

### **A. ACSA Credit Cards**

Director of Public Utilities Robert Hopkins reported that his office currently does not have a credit card. He said that his staff has been using personal finances and credit cards for ACSA business and then they are reimbursed from ACSA's petty cash account, which is a problem for both ACSA staff and the County Finance Dept.

Mr. Hopkins advised that ACSA has an account with BB&T Bank. He would like to establish a credit card account for management of small purchases, travel and training, and advised he and the office manager would monitor the account. He noted that the County is currently pursuing the same matter, also with BB&T.

Mr. Hopkins said that proposed resolution would allow BB&T to create a credit card line of credit.

By motion of Supervisor Campbell and with the following vote, the Board adopted Resolution 2018-A-0001-R, as presented. **(See Attachment 1)**

AYE:	Mrs. Tucker, Mr. Ayers, Mr. Pugh, Mr. Campbell and Ms. Moore
NAY:	None
ABSENT:	None

### **B. VRS Employer Retirement Contribution Rate Election**

Director of Public Utilities Robert Hopkins advised that ACSA pays a certain percentage of the total amount of salaries paid to ACSA staff to VRS for benefits for ACSA retirees. VRS currently allows participants two options: pay the VRS Board selected percentage, currently 5.96%, or pay the 2012 VRS Board selected percentage of 6.69%. This option allows participants, when the VRS Board selects a higher new percentage, to save money by choosing the lower 2012 percentage. That is not the case this year. The election is for a 2-year period and the option to

elect either the current VRS Board percentage or the 2012 percentage will end with this election.

Mr. Hopkins also advised that ACSA is currently funded at 91.98% of its VRS benefits, much higher than the minimum of 70% required by VRS.

Mr. Hopkins recommended that the Board elect the employer contribution rate of 5.96% certified by the VRS Board for the next two fiscal years. He advised the Board would not need to take a vote as this action and it would automatically be implemented by VRS. Selection of the 2012 VRS Board percentage would require a resolution from the ACSA Board, a draft of which is in the ACSA Board packet.

Chair Tucker advised Mr. Hopkins to proceed with the 5.96% employer contribution rate.

#### C. James River Bank Stabilization Project

Director of Public Utilities Robert Hopkins advised the stabilization project with the US Army Corp of Engineers addresses the erosion of the north bank of the James river, which could potentially threaten the Madison Heights sewer falling into the James River. The 2015 Corps of Engineers-ACSA project funding agreement included a pre-design total project cost estimate of \$946,450, with ACSA's 35% cost share about \$360,000. At 98% design completion, the Corps has re-estimated total project cost at \$2.8M, with ACSA's cost share \$982,100. This requires another ACSA contribution of \$571,196.50, for which Mr. Hopkins requests an appropriation, with payment to the Corps before May 14, so as not to delay construction bid advertisement. Mr. Hopkins opined that the original cost estimate was woefully inadequate, comparing it to the similar project he designed and managed for ACSA as a Hurt & Project engineer in 2007. That project cost approximately \$400,000. It is not reasonable to expect a project over 10 years later and over four times the size to cost only a little over twice as much. The Federal assistance is saving ACSA at least \$1M, if ACSA had to fund the work alone.

Mr. Hopkins advised that ACSA has adequate money in reserves, that the money in reserves is there for just this kind of situation, that the Feds are picking up 65 % of the cost, and that the project must be completed to preserve the sewer that serves all Madison Heights, as well as prevent an environmental nightmare.

By motion of Vice-Chair Ayers and with the following vote, the Board appropriated \$571,196.50, as described, and directed the Director to make payment of the appropriation to the Corps of Engineers before May 14.

AYE:	Mrs. Tucker, Mr. Ayers, Mr. Pugh, Mr. Campbell and Ms. Moore
NAY:	None
ABSENT:	None

#### D. Credit for City Water Purchased Contract 2017 Billings

Director of Public Utilities Robert Hopkins reported this credit is to reconcile the wastewater contract with the City of Lynchburg. He said ACSA has received a credit of \$4,252, which will be applied to the next bill from the City of Lynchburg.

### VIII. Matters from Members of Board of Supervisors

Supervisor Moore had no matter to discuss.

Supervisor Campbell had no matter to discuss.

Supervisor Pugh had no matter to discuss.

Vice-Chair Ayers remarked on the development of the Winton property and alternative funding, such as grants, to offset costs for providing a water system to that potential growth area. He asked about County and ACSA pursuit of such grants and the ability of ACSA to own, operate, and maintain a new water system in the Winton area.

Mr. Hopkins said he spoke with the County Administrator and said that the Winton area is outside the County's Designated Water and Sewer Growth Areas, for which ACSA is responsible. For this reason, ACSA acceptance of a new water system in the Winton area would require a change to both the County Comprehensive Plan and the Water and Wastewater Facility Plan. He further commented it is his understanding that there is ample ground water not far from the property and that ACSA would welcome the opportunity to help develop a new water system for the Winton area.

County Administrator Rodgers reported that the process would be to have a professional company such as Hurt & Proffitt produce a report to VDH, and then pursue a grant through them. VDH is currently identifying all the wells in area and the underground water topography and talking with local drillers. VDH will compile that information for Hurt & Proffitt. Once the PER is produced, the County will look for grant money.

Vice-Chair Ayers asked if there would be funding to offset the preliminary cost.

Mr. Hopkins advised he talked with VDH and found that grant application scoring is based on need and cost. Grant funding is very competitive and the scoring of applications prioritizes systems that currently have existing problems – treatment problems requiring boil orders, contaminated source water, etc. – and proposed new systems, such as proposed at Winton, may not score high enough to be approved. He said it would depend on how much money is available, however, it does become more difficult to get money for new systems.

Chair Tucker had no matter to discuss.

#### **IX. Adjournment**

By motion of Supervisor Pugh and with the following vote, the Board adjourned at 11:34 a.m.

AYE:	Mrs. Tucker, Mr. Ayers, Mr. Pugh, Mr. Campbell and Ms. Moore
NAY:	None
ABSENT:	None

Claudia D. Tucker, Chair  
Amherst County Service Authority Board

Dean C. Rodgers, Secretary