

AMHERST COUNTY SERVICE AUTHORITY BOARD

MINUTES

AGENDA

November 6, 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 – October 2, 2018
- V. Monthly Financial Report**
 - A. September 2018 Monthly Financial Report
- VI. Old Business**
 - A. ACSA Director's Report
- VII. New Business**
 - A. 2018 County Contribution for Sewer Extensions
 - B. Preliminary ACSA 2019 Calendar Year Budget
- VIII. Matters from the Members of the Service Authority Board**
- 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 6th day of November, 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
David W. Pugh, Jr., Supervisor
Kenneth M. Campbell, Supervisor
Jennifer R. Moore, Supervisor

ABSENT: None

STAFF PRESENT: Authority Secretary Dean C. Rodgers
Authority Deputy Secretary David R. Proffitt

Director of Public Utilities Robert A. Hopkins
County Attorney Michael Lockaby
EA Clerk to Board 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 November 6, 2018.

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

IV. Approval of Minutes

A. Minutes – October 2, 2018

By motion of Vice-Chair Ayers and with the following vote, the Board approved the minutes of October 2, 2018.

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

V. Monthly Financial Report

A. September 2018 Monthly Financial Report

Director Hopkins reported on the following:

Comparing various aspects of ACSA's finances year-to-date as of September 2018 to September 2017:

1. Water
 - a. Revenues: Water sales (top 3 lines Section I.A) +3.4% vs. YTD09/2017
Total revenues +4.6% vs. YTD09/2017
 - b. Connections: +40.5% vs. YTD09/2017
 - c. Summary: Doing OK in water, but cool summer and rains and impending CVTC closure hurting water sales

At 2018 three quarter point, new service connections:
5½ times 2017 total for year
4½ times annual 5-year average
82% of pre-recession annual average
2. Wastewater
 - a. Revenues: Wastewater sales (top 3 lines Section I.B) -9.6% vs. YTD09/2017
Total revenues -23.0% (*) vs. YTD09/2017
* With \$167,925 County appropriation, drops to -7.4%
 - b. Connections: -7.9% from YTD09/2017
 - c. Summary: Lagging in wastewater, due to (1) impending CVTC closure; (2)

CVTC sewer repairs, reducing stormwater inflow and infiltration, (3) drop in electronic deposits, vast majority of which are CVTC payments, and (4) delay in County contribution to sanitary sewer extensions.

At 2018 three quarter point, new service connections:
2¼ times annual 5-year average
127% of pre-recession annual average

3. Water and Wastewater

- a. Sales: -0.3% vs YTD09/2017
 - * 03/2018 to 07/2018, consistently reported -3% to -6%
 - * 08/2018 = -1.2%, 09/2018 = -0.3%
- b. Revenues: -3.9% vs YTD09/2017
 - * With \$167,925 County appropriation, rises to +0.9%
- c. All revenues: -3.9% vs YTD09/2017
 - * With \$167,925 County appropriation, rises to +0.9%
- d. Summary:
 - * Doing well in water sales, revenues, and connections
 - * Improving in wastewater sales, revenues, and connections
 - * Improving in water/wastewater sales
 - * With \$167,925 from County, +0.9% in water/wastewater and total revenues and +1.6% vs CY2018 projected revenues

VI. Old Business

A. ACSA Director's Report

Director Hopkins provided the following information:

1. James River Bank Stabilization Project

- Progress:
 - * Lot done since last month, despite the hurricane and lessor storms
 - * Mussel study done (apparently negative, as construction started 10/30)
 - * Trunk sanitary sewer pre-construction video inspection done
 - * River bank cleared of trees and vegetation (recent site photo distributed)
 - * Contractor started rebuilding river bank with stone 10/30
 - * New completion date, due to weather, if weather holds, is 12/31
 - * Complaints filed with Corps of Engineers: contractor operating ACSA hydrants (water quality complaints) and CVTC gate on access road to river left open

2. Water and Sewer Rehabilitation/Extension/Replacement Projects

- Old Town Madison Heights CDBG Grant Sewer Rehabilitation
 - * Pre-construction meeting scheduled for 11 am, Friday, 11/9
 - * Notice to Proceed issued – construction schedule starts Monday, 11/12
- Williams Road/Wright Family Construction Development
 - * Water and sewer construction complete
 - * One water meter installed for contractor water, fees paid by developer
- Ridge St. Water Main Replacement
 - * VDOT permit in hand, developer clearing lot for construction equipment
 - * \$20,000 funding assistance from EDA received
 - * Coordinating work with Wellview sewer extension, Cooper Steel water line relo
 - * Should complete this year, extend water line for developer in 2019, start moving existing services in 2019.

- Cooper Steel Water Line Relocation
 - * Submitted application for VDOT permit, should have soon
 - * Coordinating work with Ridge St. water line replacement, Wellview sewer extension
 - * Work expected to be complete before the end of 2018.
- Joint ACSA-County sanitary sewer extension program, Wellview Drive, Lakeview area:
 - * Submitted application for VDOT permit, should have soon
 - * Coordinating work with Ridge St. water line replacement, Cooper Steel water line relo
 - * Work expected to be complete before the end of 2018.
- Joint ACSA-County sanitary sewer extension program, American Legion Hall area:
 - * Survey and preliminary design are in progress, as is easement acquisition
 - * Expect to start Phase 1 construction spring 2019

3. EDA Business Friendliness Initiative

- ACSA Board prioritization of EDA recommendations
 - * As directed by Board, prioritization chart for EDA recommendations from October meeting revised by Director to delete EDA Board rankings/scores (which could be mis-perceived by public as influencing ACSA Board prioritization, add ACSA Director rankings and scores, and re-prioritize.
 - * Director added "expediency" (how quickly/efficiently each item can be achieved) to "importance" in his rankings and scoring, with top priority all availability fee items to be done simultaneously as part of comprehensive evaluation early-mid 2019.
- Lee Cobb, EDA, distributed a handout and made a presentation on behalf of EDA Board regarding recommendations:
 - * Availability fees:
 - are "unfair", not in their magnitude, but in how they are assessed;
 - should be modified to make them "more competitive" with surrounding water and sewer authorities (Hopkins did not mention that, at the current time, ACSA's water and sewer combined connection fees are lower than both Campbell and Bedford County, slightly higher than Nelson County).
 - Cobb agreed with Director's idea of combining all EDA recommendations for availability fees into one, top priority item for comprehensive assessment;
 - * ACSA Board reorganization:
 - Cobb noted that there are other authorities in Virginia that have boards made up of appointed citizens, rather than County Supervisors;
 - He noted that ACSA is a separate government entity from the County, that that information is not well known or understood by residents and businesses, and it is thought that an appointed citizen board, managed by the Board of Supervisors, would help with that.
 - He noted historic reluctance of ACSA staff to work with development community, resulting in stifling of economic growth and development;

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- He suggested a new ACSA Board consisting of 3 Supervisors, 2 appointed citizens.
- * Utility line extensions:
 - Cobb noted ACSA has good policies, but they are not well-communicated to the public.
- ACSA Board:
 - * agreed that EDA recommendations pertaining to assessment of ACSA availability fees by the ACSA Director should be combined into one overall item and made top priority;
 - * Board member David Pugh repeated his past opposition to any changes to the Board composition. He noted his observation that the "historic reluctance" of ACSA to work with development community no longer exists, that Director Hopkins is more open and willing to work with developers to address problems, and that the new openness has been reported to him by County staff and others;
 - * Asked by Board Member Ayers, Director Hopkins expressed his opinion that this Board and its predecessors have done a good job, noting a 20-fold expansion of ACSA over 65 years and historic success of current Board management, demonstrated by sound financial condition, trained staff, good infrastructure, annual VDH awards for performance, etc. and that changing a proven successful management structure is very risky, especially for something as serious to public health and economic growth and development as water and sewer. He added that a business owner, getting a recommendation to dissolve a Board of Directors that has proven successful in operating his business, simply because "others do it another way", would hardly heed that advice.
 - * Board Chair Tucker agreed with Director Hopkins that the current Board has done a "good" job for 65 years, but she wants phenomenal ACSA achievement and an appointed citizen Board might achieve that. He agreed in that possibility, but recommended that any changes be done very gradually and after much planning, noting that ACSA has been on a successful 65 year known path and has a future with the current Board that can be anticipated; with an appointed citizen board, of members not yet known, with no known backgrounds, education, experience, agendas, etc., ACSA will leave a known, proven successful path for one that is completely unknown, with no guarantee of success and possibly one filled with problems.
 - * County Attorney Lockaby said, by state law, the earliest any changes can be made to the Board would be January 2020. Director Hopkins said he has already started developing criteria and schedule for Board changes and offered to provide them to Lockaby. Board directed Lockaby and Hopkins to work together to develop new policy for a new ACSA Board consisting of 3 Supervisors and 2 appointed citizens.
 - * Board adopted the prioritization chart for the EDA recommendations as revised by Hopkins.

By motion of Vice-Chair Ayers and with the following vote, the Board directed the County Attorney to develop proposed policy with coordination of the Service Authority Director to

reorganize the Service Authority Board to include three Board of Supervisor Members and two private sector members.

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

By motion of Supervisor Campbell and with the following vote, the Board adjusted the "Business Friendliness" projects priority list, as presented. **(See Attachment 1)**

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

4. Asset Management Plan

- By former Director French:

- * Documents management:
 - Water and sewer system maps, each updated annually with changes
 - Water and sewer as built – indexed, numerous copies (office use, field use, extra)
 - Master Specifications manual – updated annually
 - Filing system
- * Real estate (Water Source Protection Program)
- * Water meter replacement schedule
- * Water storage tank maintenance program (10-year contract for each tank)
- * Graham Creek Reservoir dam annual inspections

- By Director Hopkins:

- * Plan to do as much in-house as possible. Will take more time, but save money for AMP work that cannot be done in-house
- * Defunded Ass't. Director position to use budgeted \$80,000 for water and sewer infrastructure improvements (all spent in 2018 – Ridge St. Water Line Extension, Cooper Steel Water Line Relocation)
- * Real estate (Water Source Protection Program)
 - Zurlippe property purchase, 33 acres, 2017
 - Foster property purchase, 3.41 acres, 2018
- * Graham Creek Reservoir Dam improvements (2021)
- * Water and sewer system maps - to show age, condition, inspection status
 - to be used to chart leaks and other problems
- * Sanitary sewer video inspections
 - Want to get on 10-year cycle to get all sewer pipes and manholes inspected
 - Establishing comprehensive manhole ID system, for sewer system map
 - Preparing inspection forms for manhole inspections this fall/next spring
 - Video inspections done to date or scheduled for completion soon:
 - * OTMH, Rocky Hill Rd. sewer rehab. (Hurt & Proffitt/Prism, 2017)
 - * Westbriar neighborhood (Hurt & Proffitt, 2018)
 - * James River sewer (CDC, 2018, ACSA, 2019)
 - * James River sewer (Hurt & Proffitt/ACSA, 2018-2019)
 - * Old Town Madison Heights, Main St. rehabilitation (Prism, 2018)
 - * American Legion/Lakeview Dr. (Hurt & Proffitt/ACSA, 2018-2019)
 - * Three other small projects (Hurt & Proffitt, 2018) to facilitate repairs

* Sanitary sewer extensions:

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- Joint ACSA-County program to extend sewers into developed areas:
 - * Wellview Dr. extension (Hurt & Proffitt/George E. Jones & Sons, 2018)
 - * American Legion/Lakeview Dr. extension (2019 - 2020)
 - * Wellview Dr. extension (2020)
 - * Lakeview area (planned post-2020)
 - * Woodys Lake Rd. area (planned with VDOT road improvements, 2021)
- Others:
 - * Williams Rd. development (developer/George E. Jones & Sons, 2018)
- * Sanitary sewer line improvements:
 - OTMH, Rocky Hill Rd. sewer rehabilitation (Prism, 2017)
 - James River Bank Stabilization (contractor, 2018)
 - Old Town Madison Heights, Main St. rehabilitation (contractor, 2018)
 - Woodys Lake Rd. (VDOT road improvements project, 2022)
- * Sewage pump stations:
 - Eight small pump stations evaluations/improvements (2019-2022)
 - Williams Run evaluation/improvements (contractor, 2023-2025)
- * Water line replacements:
 - Adrian St. (ACSA, 2017)
 - Ridge St. (Hurt & Proffitt/George E. Jones & Sons, 2018)
 - Cooper Steel relocation around building (contractor, 2018)
 - Ridge St. (ACSA, 2019)
 - Phelps Rd. (Phelps Rd. School development, by developer, 2020)
 - Developing schedule for annual replacement of old, small lines
- * Water line extensions:
 - Williams Rd. development (developer/George E. Jones & Sons, 2018)
- * Water tanks
 - Faulconerville Tank maintenance contract renewal (ACSA, 2018)
 - Prices Store Tank maintenance contract renewal (ACSA, 2019)
 - Wright Shop Rd. Tank scrubber system addition (Hurt & Proffitt, 2019)
 - Wright Shop Rd. Tank maintenance contract renewal (ACSA, 2021)
 - Lyttleton Lane Tank maintenance contract renewal (ACSA, 2022)
 - Elon Water Tank (future installation)
 - Coolwell Rd. Water Tank (future installation)
- * Disaster resiliency/recovery
 - Water Office annex (water plant)
- * Water Office improvements

- Note: An Asset Management Plan is not very complicated, but is very complex. The above itemization shows the extensive data to be acquired, considered, and implemented.

- Hopkins noted that the items in #1 above may be incomplete and much of what is listed in #2 was started by Director French.

- Hopkins noted that an ACSA Asset Management Plan would include at least everything above, maybe much more, making it, not complicated, but complex, due to the extensive information needing to be collected, from many different sources and locations, condition assessments that must be performed, the schedules needing to be developed, etc. That was the reason for his reluctance at the last Board meeting to commit to a completion deadline. He noted his preference to continue reporting on progress at each Board meeting, as he develops a plan. He said he does not want to throw a Plan together, then try to implement it and find he has to revise the Plan previously developed.

- Board Secretary Rodgers expressed agreement, noting to the Board that the County is also developing a similar Plan, with the same issues, but also waiting for new County accounting software which can be used in Plan implementation.

VII. New Business

A. 2018 County Contribution for Sewer Extensions

1. ACSA-County Joint Funding of Sanitary Sewer Extensions Into Developed Areas

- 2018 appropriation for \$167,925 (payment received, deposited at BB&T)
- 2019 appropriation for \$171,787
- Funding is for sewer extensions to ensure that existing areas currently treating wastewater with onsite systems (drainfields) have public sewers in place when drainfields fail.
- 2019 appropriation information has been sent to County Finance Director for inclusion in the next County annual budget. Hopkins will request the money after around August 2019.

2. Calendar Year 2019 Budget

- New budget form
 - * Previous Excel spread sheet form was getting hard to work with.
 - * Improvements:
 - Consolidation of 19-page budget format down to 8 pages.
 - Addition of column showing proposed budget year percentage adjustments for each existing budget line item.
 - Addition of a 9th page for explanatory notes.
 - Preliminary budget:
 - * To determine final "Income Generated" and "Expenditures" figures for balanced budget in accordance with line item percentage increases recommended in latest Pro-Forma Cash Flow Update report from ACSA financial consultant.
 - * To compare each line item in the existing budget to the County Finance Dept. Trial Balance report for October 31 of each year (the latest possible, issued in early November) for further adjustments to each line item to accommodate projected ACSA expenditures and needs in the coming year in a final calendar year budget to be presented for adoption in December.

B. Preliminary ACSA 2019 Calendar Year Budget

Director Hopkins presented a preliminary budget for 2019. This preliminary budget sets the net figures for Income Generated and Expenditures to establish a balanced budget for 2019.

Director Hopkins advised a final 2019 ACSA budget will be presented at the December 4, 2018 ACSA Board meeting for discussion and adoption by the Board and implementation effective January 1, 2019.

VIII. Matters from the Members of the Service Authority Board

Supervisor Moore had no matter to discuss.

Supervisor Campbell had no matter to discuss.

Supervisor Pugh had no matter to discuss

Vice-Chair Ayers inquired about sewer connections in Madison Heights for individual development of the Cunningham property and the sewer problems at the Seminole Shopping Center.

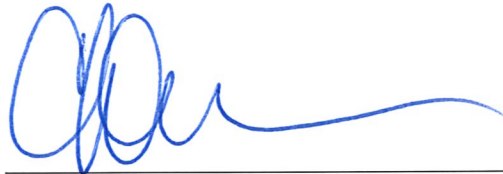
Chair Tucker has no matter to discuss.

County Administrator Rodgers informed the Board that DEQ has taken responsibility for management of resolving the sewer failure problem with assistance from the County.

IX. Adjournment

By motion of Vice-Chair Ayers and with the following vote, the Board adjourned.

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

November 6, 2018

PRIORITIES RECOMMENDED BY AEDA for ACSA BECOMING RECOGNIZED AS MORE BUSINESS FRIENDLY

Recommendations by EDA are in response to the request of the Board of Supervisor's to identify steps that can be taken to make Amherst County more business friendly. They are not simply products of the personal thoughts of the Authority's members; but they are based on what members have been told, two surveys of businesses and individuals, multiple meetings of business representatives and EDA members-staff, and discussions with leadership of neighboring service authorities. This has all taken place over the past six years, with emphasis on the more recent economic development strategic planning process.

PRIORITIES

1. Evaluation of Water and Sewer Availability Charges
 - Updated uses, fees, etc.
 - Penalties on growing businesses
 - Simplification
 - Creativity and Force for economic development
2. Reorganize ACSA with Private Sector Representatives
 - Not Unprecedented
 - Access for customers with ideas, complaints, etc.
 - Expertise and creativity
 - ASCA as separate entity from local government
 - Options and recommendations for consideration (3 B of S and 2 private sector members)
3. Upgrade Communications Effort
4. Publicize Options for Calculating Availability Fees
5. Convey Clear Policy on County Crew or Private Sector Utility Construction
6. Stretch High Availability Fee Payments over Extended Period
7. Develop and Maintain Strategic Plan
 - Capital improvements
 - Initiatives to stimulate private investment
 - Public information
 - Administrative matters
8. Availability Fee Reductions for Contributions of Grants
9. ACSA Office Building