

AMHERST COUNTY SERVICE AUTHORITY BOARD

MINUTES

AGENDA

December 4, 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 – November 6, 2018
- V. Monthly Financial Report**
 - A. October 2018 Monthly Financial Report
- VI. Old Business**
 - A. Director's Report
- VII. New Business**
 - A. 2018 Bad Debt Set-Off Program
 - B. Regulatory Changes
 - C. Final 2019 ACSA Calendar Year Budget
 - D. Phenomenal ACSA
- 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 4th day of December, 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
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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 Supervisor Pugh and with the following vote, the Board approved the agenda for December 4, 2018.

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

IV. Approval of Minutes

A. Minutes – November 6, 2018

By motion of Supervisor Campbell and with the following vote, the Board approved the minutes of November 6, 2018.

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

V. Monthly Financial Report

A. October 2018 Monthly Financial Report

This is a monthly report by the ACSA Director regarding finances, comparing year-to-date October 2018 to year-to-date October 2017.

1. Water

- a. Revenues: Water sales (top 3 lines Section I.A) +4.8% (*)
 Total revenues +6.7% (*) vs. YTD10/2017
 (*) Best since report for month of February 2018.

Summary: Doing well in water, even with cool summer, excessive rain, and impending CVTC closure hurting water sales.

- b. Connections: +44.8%

 New water service connections:
 5.9 times total for 2017
 5.1 times 5-year annual average
 91% of pre-recession annual average of 65

2. Wastewater

- a. Revenues: Wastewater sales (top 3 lines Section I.B) -7.0%
 Total revenues -5.0% (*)
 (*) Best since report for month of February 2018

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. But improving coming to end of year.

- b. Connections: -1.1%

 New sewer service connections:
 2.6 times 5-year annual average
 140% of pre-recession annual average (15)

3. Water and Wastewater (combined)

- a. Sales: +1.6% (*)
 (*) Best since report for month of February 2018
- b. Revenues: +3.3% (*)
 (*) Best since report for month of February 2018
- c. All revenues: +3.3% (*)
 (*) Best since April for month of February 2018
- d. Summary: * Doing well in water sales, revenues, and connections
 * Improving in wastewater sales, revenues, and connections
 * Improving in water/wastewater sales and revenues
 * Thru October (10/12 of year), revenues +3.3% over projections in adopted 2018 budget.

VI. Old Business

A. Director's Report

1. James River Bank Stabilization Project

- Progress:

- * ACSA received contractor's pre-construction inspection reports for sewer system. The Director is reviewing the reports; so far, the sewer appears to be in good condition for 50 years old.
- * Work completed to date: tree clearing, bank preparation, erosion control fabric placement, stone bank restoration. The Director described the project using a photograph and detail from the bid documents.
- * Work still to be done: complete stone bank restoration, stone mattress placement, armoring.
- * The Director is expecting revised completion date of January 31, 2019 due to recent weather.
- * 11/12/2018 sewer break. Found early on 11/13/2018. WARN system used to find repair materials in Buena Vista & Front Royal. Repaired 11/14/2018. No sewage spillage; no cleanup or DEQ report necessary.

A contractor stone-hauling truck ran over the sewer where there was minimal soil cover and broke the crown of the pipe for about 10'. Pipe integrity was maintained for sewage flows; no sewage release. The Director described WARN, a program allowing member utilities across Virginia to broadcast emergency needs by email, with other member utilities responding with assistance. Vendors told ACSA it would take 2 – 3 weeks to get the materials for the sewer repairs. With WARN, ACSA got the pipe in Front Royal and the couplings in Buena Vista in 1 day and completed the repair in 2 days. With another storm coming 11/15 that could have caused the river to flood, inundating the open pipe, and overwhelming the pump station to the City with too much flow, it was imperative to finish the repair before the storm; that was achieved.

2. Water and Sewer Rehabilitation/Extension/Replacement Projects

- Old Town Madison Heights CDBG Grant Sewer Rehabilitation

- * Pre-construction meeting conducted 11 am, Friday, 11/9. VDOT could not attend; 2nd pre-construction meeting was held by telephone 11/30.
- * Notice to Proceed issued – construction schedule starts Monday, 11/12. Probably to be moved forward due to 2nd pre-construction meeting; VDOT would not issue permit for construction until they attended a pre-construction meeting.
- * Contractor started work the morning of 12/4.

- Joint ACSA-County sanitary sewer extension program, Wellview Drive, Lakeview area

- * Work completed, other than permanent pavement restoration by mid-December.

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- Ridge St. Water Main Replacement
 - * Resident notices about construction delivered 11/27.
 - * Work started late November, to be completed mid-December.
 - Cooper Steel Water Line Relocation
 - * Cooper Steel consultant notified about start of construction 11/27.
 - * Work began 11/28, to be completed early December.
 - Joint ACSA-County sanitary sewer extension program, American Legion Hall area
 - * VDOT approved preliminary design.
 - * Easement acquisition is in progress.
 - * Expect to start Phase 1 construction spring 2019.
3. EDA Business Friendliness Initiative
- ACSA Board prioritization chart for EDA recommendations for ACSA Finalized.
 - County Policy Committee
 - * Director started working on ACSA policy changes vs. County Code in early September.
 - * Director provided County Attorney with additional discussion items 9/13 & 11/27.
 - * Director working on list of ACSA policies to update for next meeting 10 am, 12/21.
 - * Director working with County Attorney and Community Development Director on responsibility for enforcement of ACSA issues in County Code.
 - * County Attorney Lockaby provided elaboration.
 - ACSA Board re-organization
 - * Director provided County Attorney with preliminary criteria and schedule 11/6.
 - * Director provided County Attorney with update 11/7.
 - * Director provided County Attorney with additional discussion items 11/27.
4. Asset Management Plan
- Progress since November Board meeting:
 - * Infrastructure evaluations
 - Contractor inspection of James River sanitary sewer received.
 - Hurt & Proffitt inspecting other sections of James River sewer.
 - Contractor evaluating 8 smaller pump stations, report coming. The

Director noted that the intent is to perform a total upgrade of a pump station each year, each one being upgraded each decade. A budget line item is added to the 2019 budget for professional services for this. The first project will be picked upon review of assessments now being done.

* Infrastructure improvements

- Wellview Dr. sanitary sewer extension construction finished.
- Ridge St. water line replacement to be finished in December.
- Cooper Steel water line relocation to be done in December.
- American Legion Hall area sanitary sewer extension in design.

* Central Virginia Training Center (CVTC) Sewer Meters

- CVTC authorized new metering equipment, including meters, solar power package, cell phone data transmission, and site improvements. CVTC will pay up to \$25,000 for each site; there are two.
- Director has equipment cost proposal from vendor.
- Director scheduling meeting with vendor, engineer, and contractor

VII. New Business

A. ACSA Bad Debt Set-Off Program

- Very consistent recent history:

2016	\$23,940.13	0.50% of budget
2017	\$23,296.26	0.53% of budget
2018	\$24,176.65	0.52% of budget
- Director started working on reducing these figures with the 2017 bad debt set-off. Each set-off is for three-year-old bad debts, so it may be 2021 before there are any results (for 2018 bad debts).

By motion of Supervisor Campbell and with the following vote, the Board directed the ACSA Director to adjust three-year-old bad debts off the account balance sheet and send the records for those bad debts to the Virginia Set-Off Debt Program.

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

B. Regulatory Changes

- USEPA Certification: Utility Risk, Resilience, and Emergency Response Plan Assessment
 - * Senate Bill 3021, America's Water Infrastructure Act, requires, for water utilities serving between 3,300 and 50,000 people, certifications by 6/30/2021 that a Risk and Resilience Assessment was performed and by 12/31/2021 that an Emergency Response Plan was created or updated.
 - * Reference documents to help with both certifications gotten from AWWA.
- Proposed Change to Safe Yield Provisions of Waterworks Regulations

- * Would eliminate grandfathering of pre-1989 water intakes for potable treatment, affecting historic water rights by requiring all intakes to comply with current regulations and allowing DEQ approval authority for VDH permits (violates state law).

1989 regulations established grandfathering and minimization of required compliance with DEQ regulations for existing intakes, due to the impacts. ACSA's Harris Creek and reservoir intakes are grandfathered. ACSA's proposed tertiary intake on James River will have to comply with current regulations, but DEQ also achieved reduction in the Harris Creek intake as a permit condition for the James River intake; when the river intake is activated, the Harris Creek intake must be reduced from 10% of average daily stream flow to 7%.

C. Final 2019 ACSA Calendar Year Budget

- General
 - * Budget format and adjustments from preliminary draft updated for ACSA needs
 - * Combines various line items that were redundant, similar, underfunded, or unneeded.
 - * Ensures a Professional Services line item in all O&M budget sections.
 - * Adjustments from overfunded to underfunded line items, per 11/2018 GL-040 report from County Finance Dept.
 - * Adjustments to fund Asset Management Plan programs
- Fund #004, Income Generated
 - * Based on Pro-Forma Cash Flow Update Case 3 adopted by Board 9/2018.
 - * Balanced with Expenditures in Funds #005, #006, and #007.
 - * 2.61% increase over 2018 adopted budget.
- Fund #005, Operations and Maintenance
 - * 2.7% increase over 2018 adopted budget.
- Fund #006, Debt Service
 - * 0.6% increase over 2018 adopted budget.
- Fund #007, Capital Improvements
 - * 6.7% increase over 2018 adopted budget.

By motion of Supervisor Pugh and with the following vote, the Board adopted the proposed Final 2019 ACSA Calendar Year Budget.

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

D. Phenomenal ACSA

The Director said that at the November meeting, Chair Tucker suggest that she would like to see the Service Authority performance at a "phenomenal" level. He asked that the Board provide individually their definition of "phenomenal" ACSA performance. He will do the same and provide a consolidated report for discussion at a future Board meeting. He said this will help him do his job and better clarify the expectations the Board has for his efforts as Director.

At this time, there was a Board discussion regarding the January 2019 Board meeting. The Director noted that the first Tuesday schedule for Board meetings has the next meeting on January 1, 2019, which is a holiday. ACSA's policy is to move meetings postponed for bad weather to the next Monday.

By motion of Chair Tucker and with the following vote, the Board moved ACSA's first January meeting to 11:00 a.m. on Monday, January 7, 2019.

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

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.

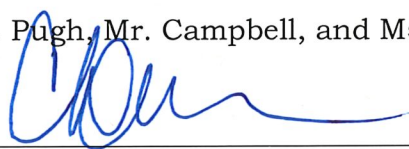
Vice-Chair Ayers had no matter to discuss.

Chair Tucker had no matter to discuss.

IX. Adjournment

By motion of Vice-Chair Ayers and with the following vote, the Board adjourned at 11:46 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