

AMHERST COUNTY SERVICE AUTHORITY BOARD

MINUTES

AGENDA

February 5, 2019

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 – January 7, 2019
- V. Monthly Financial Report**
 - A. December 2018 Monthly Financial Report
- VI. Old Business**
 - A. Director's Report
- VII. New Business**
 - A. Regulatory Update: Cryptosporidium
 - B. Resignation of Amherst County Watershed Coordinator
 - C. Budget Re-Appropriations for Old Town Madison Heights Sanitary Sewer Project
 - D. Joint ACSA-County Funding for Sanitary Sewer Extensions in Developed Areas
 - E. ACSA Board Reminders
- VIII. Matters from the Members of the Service Authority Board**
- IX. Adjournment**

MINUTES

At a Regular Meeting of the Amherst County Service Authority Board, held at the Amherst County Administration building on Tuesday, the 5th day of February, 2019, at 11:00 a.m., the following members were present:

SERVICE AUTHORITY BOARD:

PRESENT:	Claudia D. Tucker, Board Member L. J. Ayers III, Board Member David W. Pugh, Jr., Board Member Kenneth M. Campbell, Board Member Jennifer R. Moore, Board Member	ABSENT: None
----------	--	--------------

STAFF PRESENT: Robert A. Hopkins, PE, Director of Public Utilities/Board Secretary
Michael Lockaby, County Attorney
Regina M. Rice, EA Clerk to Boards

I. Call to Order

Chair Ayers called the meeting to order at 11:02 a.m.

II. Citizen Comment

There was no public comment.

III. Approval of Agenda

By motion of ACSA Director Campbell, and with the following vote, the ACSA Board approved the agenda for February 5, 2019.

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

IV. Approval of Minutes

By motion of ACSA Director Campbell, and with the following vote, the ACSA Board approved the minutes of the January 7, 2019 ACSA Board meeting.

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

V. Monthly Financial Report

This is a monthly report by the ACSA Director regarding finances, comparing year-to-date December (end-of-year) 2018 to year-to-date December (end-of-year) 2017.

1. Water

a. Revenues:	Water sales (top 3 lines Section I.A) +3.5%
	Total revenues +5.7%
Summary:	Doing well in water, even with cool summer, excessive rain, and impending CVTC closure hurting water sales.

BOOK 8

February 5, 2019

Page 171

- b. Connections: +56.7%
No new water service connections in December, so no change from last month:
6.3 times total for 2017
5.4 times 5-year annual average
97% of pre-recession annual average of 65 (needed 2 connections in December to get to 65)

2. Wastewater

- a. Revenues: Wastewater sales (top 3 lines Section I.B) -4.6%
Total revenues -2.8%
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.
- b. Connections: +7.2%
No new sewer service connections in December, so no change from last month:
2.6 times 5-year annual average
147% of pre-recession annual average of 15

3. Water and Wastewater (combined)

- a. Sales: +1.4%
b. Revenues: +3.3% (This was -2.2% end of 2017, so 5.5% improvement)
c. All revenues: +3.4% (This was -2.1% end of 2017, so 5.5% improvement)
d. Summary: * Doing well in water sales, revenues, and connections
* Improving in wastewater sales and revenues, and connections
* Improving in water/wastewater sales and revenues

VII. Old Business

A. Director's Report

Director Hopkins provided an update to previous Board meeting discussions:

1. James River Bank Stabilization Project

- Progress:

- * The bank revetment (large) stone placement was completed at the end of January (the Director used two photographs to describe the work.)
- * Work still to be done: site cleanup; disturbed area vegetative stabilization; post-construction sewer videos to determine any construction damage.
- * ACSA completed requirements of its contract with the Corps of Engineers approval with Corps approval of \$27,000 in ACSA real estate acquisitions for the project and \$25,000 in ACSA project participation and assistance.
- * The 3 new erosion problems from December flooding are not any worse. The Director got a contractor's estimate (\$360,000) to extend the current project 400' to address the worst 2 areas, immediately east and west of the project. This assumed construction similar to 2007 ACSA work (which is holding up well after 11½ years) and an immediate start, while the contractor is still on site; this is not possible – design documents and a permits are needed. The Director estimates total project cost to be \$600,000, if ever required.

2. Water and Sewer Rehabilitation/Extension/Replacement Projects

- Old Town Madison Heights CDBG Grant Sewer Rehabilitation
 - * Sewer cleaning and video inspections approximately 75% done.
 - * First contractor pay request submitted, approved, sent to Finance Dept for payment 2/8; Director needs \$330,000 appropriated October 2018 from ACSA reserves re-appropriated into 2019 budget (see New Business).
 - * Project has experienced significant delays due to late 2018 weather. Further delays are coming: due to the bad weather, the contractor is having trouble finding subcontractors for excavation work, but expects to start in March.
 - * The contractor is still on schedule for scheduled April 2019 project finish, but completion by the June 2019 contract deadline is more likely.
- Ridge St. Water Main Replacement
 - * Directional drilling installation of new water line along south side of Ridge St. delayed by bad weather. Expected to finish in February.
 - * Extension of new water line to cul-de-sac and fire hydrant installations scheduled for spring 2019, the work to be done by an ACSA crew.
 - * Re-connection of existing services to new water line and abandonment of existing water line to be done in 2019, also by an ACSA crew.
- Joint ACSA-County sanitary sewer extension program, American Legion Hall area
 - * VDOT reviewing final design/construction drawings.
 - * Easement acquisition has resumed and is in progress.
 - * Expect to start Phase 1 construction spring 2019, finish all phases in 2019. A map showing all 3 phases will be presented later (see New Business).

3. EDA Business Friendliness Initiative

- County Policy Committee
 - * No progress since last Board meeting. The Director is working with the County Attorney on ACSA policy changes and changes to County Code, Section 15, Water and Sewer. The next meeting is scheduled for 2/11.
- ACSA Board re-organization
 - * No progress since last Board meeting. The Director is working with the County Attorney on criteria and schedule for citizen appointments for 3 Supervisor-2 citizen Board being considered. The next meeting is set for 2/11.
- Evaluation of new water and sewer availability fees to begin this month, with:
 - * Annual benchmarking study comparing ACSA rates and fees vs those of other water and sewer utilities of similar type and size in Virginia;
 - * Consideration of business friendliness recommendations of no or lower fees, payments of fees over time, ACSA use of grants to pay fees, etc.
 - * The evaluation expected to be completed in March, with presentation to ACSA Board at the April Board meeting.

4. Asset Management Plan

- Progress since November Board meeting:
 - * Infrastructure evaluations
 - Evaluations of 8 smaller sewage pump stations completed. The intent is to perform a total upgrade of a pump station each year, starting with the Lighthouse Pump Station in 2019, each one being upgraded each decade.
 - * Central Virginia Training Center (CVTC) Sewer Meters
 - The Director has cost proposals from engineer and equipment vendor; the engineer is working on the bid documents. The installation, with all costs less than \$50,000 being borne by CVTC (at this point, it appears that all work can be done below that ceiling), is expected to be done spring 2019 and will also updating site drawings for each metering station.

5. New Rules for Ammonia Nitrogen Limits on Sewage Treatment Plant Discharges

- Virginia Association of Municipal Wastewater Agencies and AquaLaw initiated House Bill 1822, including adding pump station replacement of wastewater treatment plants to eligibility requirements for DEQ grants, as proposed by the Director.
- The Director attended an American Society of Civil Engineers “meet and greet” with Virginia General Assembly delegates in Richmond on Jan. 17, for the purpose of discussing HB1822. But he left after waiting 1½ hours and no delegates showed.
- The Director got approval from DEQ to renew the permit for ACSA’s Westbriar Wastewater Treatment Plant this spring, a year early. Early renewal, before EPA and DEQ formally approve the new ammonia nitrogen rules, will get ACSA 4 additional years, until 2034, to complete implementation of site changes, if necessary, at the site to ensure compliance with the new rules. The Director renewed ACSA’s Ivanhoe Wastewater Treatment Plant permit in 2018, giving ACSA until 2033 to comply with the new rules at this site.

VIII. New Business

1. Regulatory Update: Cryptosporidium

- ACSA’s “Long-Term 2 Enhanced Surface Water Treatment Rules” testing for cryptosporidium is done. It involved 3 years of testing ACSA’s raw water sources and DEQ determining average concentrations of the protozoan, for additional treatment at ACSA’s Henry L. Lanum, Jr. Water Filtration Plant. DEQ informed ACSA that test results determined that no treatment plant changes are needed.

2. Resignation of Anne Marie Roberts, Amherst County Watershed Coordinator

- Letter received Jan. 14; her last day is Feb. 15. She is starting a job doing similar work with the James River Association on Feb. 18.
- The Director drafted and sent Board members a “thank you” letter for 15 years of successful service and requested the Board Chair to join him in signing the letter to Ms. Roberts. Board member Tucker and Board Chair Ayers noted their satisfaction with the draft; no Board members dissented. Consensus of Board members was reached without a formal motion that the Board Chair should sign the letter (Board Chair Ayers did so after the meeting).

- Roberts' new JRA position involves doing much of the same work she did for the District, but in a larger service area, including Amherst County. The Director thinks there is an opportunity for more riparian buffers and improvement of stream protection in the County by revising the Memorandum of Understanding ACSA has with the Robert E. Lee Soil & Water Conservation District to include JRA. Possible benefits of doing so: more resources for performing environmental work; more opportunities for such work; not duplicating work (if the District fills the vacant ACWC position); savings to ACSA of over \$28,000 annually in partial funding of the ACWC position; savings to the Town of Amherst of over \$22,000 annually in partial funding of the ACWC position.

The Director met with Town Manager Sara Carter and JRA's Shawn Ralston and Amber Ellis on Jan. 22 and the District Board on Jan. 24 to discuss this. JRA and Ms. Carter are in favor of pursuing this opportunity. The Board will consider the idea and get back to the Director. The Director requested direction from the ACSA Board to continue researching the matter, without committing ACSA to anything and reporting back to the ACSA Board regularly.

Board member Tucker approved the request, so long as the Director also worked with MOU signatory National Resources Conservation Service. The Director noted in response that there are other MOU signatories and all will have to approve the change to the MOU to add JRA, as the MOU will have to be revised.

Consensus of the Board was reached without a formal motion that the Director should continue researching the possibility of JRA joining the MOU, reporting back to the ACSA Board on progress and any preliminary approvals from other MOU signatories, for Board consideration.

3. Re-Appropriations for ACSA 2019 Calendar Budget

- On 9/5/2017, the ACSA Board adopted Resolution 2017-0024-R for \$250,000 in grant match money for "Old Town Madison Heights Main Street Sanitary Sewer Rehabilitation Community Development Block Grant project."
- On 10/2/2018, the ACSA Board appropriated into the ACSA 2018 Calendar Year Budget, from ACSA reserves, \$250,000 in grant match money and \$80,000 additional funding to complete the entire project scope of work.
- Late 2018 bad weather delayed the start of the project and, on 12/31/2018, the appropriated monies went back into ACSA reserves.
- The work started in December 2018, the contractor's first payment request for \$13,820.88 has been submitted, approved, and sent to the Finance Dept for payment 2/8/2019. For this and future contractor payment requests, the previously appropriated \$330,000 needs to be re-appropriated.

By motion of ACSA Director Campbell, and with the following vote, the ACSA Board approved the requested re-appropriation of \$330,000 from ACSA reserves for the Old Town Madison Heights Sanitary Sewer Rehabilitation project.

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

4. Joint ACSA-County Funding of Sanitary Sewer Extensions to Developed Areas

- The County Board of Supervisors requested from Director Hopkins an update regarding progress in sanitary sewer extensions into areas of old residential and commercial areas, using joint ACSA-County funding, to have them in place when existing drainfields fail.
- Hopkins began with the first bullet in the agenda item attachment, itemizing the history of the joint funding, making the following additional comments:
 - 39 years after the 1980 VDH sanitary survey the 36% drainfield failure rate in the County must have surely increased dramatically by 2019;
 - the 10% of all VDH permits issued from 1999-2005 for drainfield repairs must have surely increased dramatically by 2019;
 - much of the older homes in ACSA's Sewer Designated Growth Areas have low- and fixed-income residents, that will find it very difficult to pay for second drainfields, much less alternative onsite treatment equipment costing \$30,000 or more, when their original drainfields fail;
 - many of these older homes were built prior to County zoning practices and the current level of soil sciences, resulting in lots that are too small, too hilly, or have unsuitable soils for second drainfields, necessitating the expensive alternate treatment systems if public sewers are not available;
 - for these and many other reasons presented to the Board of Supervisors for many years by former ACSA Director Dan French, the BOS and ACSA Board agreed in 2016 to the joint funding.
- Hopkins then presented a large map of the ACSA Sewer Designated Growth Area, with existing sewers depicted and streets with no public sewers highlighted in yellow. He said he counted the buildings on the map in the highlighted areas and found a total of over 2,000, over 1,500 east and over 600 west of Business Rte. 29. He noted that the map is based on a 1989 USGS quadrangle map; if all of the over 2,000 buildings shown on drainfields had been built that year, the drainfields would be over 30 years old and nearing the ends of their expected service lives; obviously, most of the buildings pre-date 1989 and the drainfields are already past that threshold.

Hopkins said Director French had worked with engineers and determined that it would take ACSA about 70 years, with normally available funding, without significantly raising rates and fees, to complete sewerage the areas in the SDGA that need them. The County funding match doubling ACSA money will cut that time to about 35 years, still long past expected failure times of these drainfields. He also noted that, when that 35 years has expired, drainfields for much newer homes, even those built this year, will be reaching the ends of their service lives, so those areas will also need to be sewerage.

Board member Tucker asked about progress to date. Hopkins noted that, by the end of 2018, the County had contributed almost \$500,000, so the total money amassed is almost \$1 million. The first project, Wellview Dr. Sewer Extension, costing close to \$70,000, was completed in 2018. She commented that that is not much progress; Hopkins replied that these kinds of projects take a long time to develop and are very costly, so putting the money in place has to begin long before the construction can start.

He described with a smaller map a project to be prosecuted in 2019 in the American Legion Hall area of Lakeview Dr. The project will be done in three phases, the first replacing an existing malfunctioning, privately owned (but no one knows by whom) sewage pump station that ACSA is having to address once or twice a year, cleaning up overflows. The project will cost over \$500,000, using well over half of the current funding balance. Phase 1 is designed and awaiting VDOT approval for spring 2019 construction; Phases 2 and 3 are being designed. Other projects are in pre-planning for 2020 construction which will spend the rest of the current fund balance, plus some of the 2019 contributions.

County Attorney Lockaby asked about sewage overflow reporting to DEQ. Hopkins replied that, since ACSA does not own or operate the pump station or private sewer system and does the cleanup work in response to VDH request, it is not ACSA's responsibility to report the overflows to DEQ; he assumes that VDH does.

Tucker then commented that much of the highlighted areas on the map include areas of higher income residents and larger, flatter lots with better soils, that can accommodate replacement drainfields when the original ones fail. Hopkins agreed and said that is taken into account during development of a prioritization list of future project and pre-planning of each project. Areas of top priority meet one or more of the criteria stated previously: low- and fixed-income owners, small lots, hilly lots, and poor soils lots.

Tucker asked about funding accounting, whether a separate fund was established. Hopkins said he is not aware of a separate fund and the money goes into ACSA's general reserves. County Finance Director Stacey Wilkes noted that moving the money out of general reserves and into a separate fund would likely reduce the general fund balance to less than 50% of the current budget, which would necessitate demands from ACSA loan creditors for immediate significant rates and fees increases. Hopkins said he would like to see a separate fund and would work with Wilkes to see if this can be done and report back to the ACSA Board at the March 5 Board meeting.

Board member Pugh noted the County allowed the development in such areas and so must take some of the responsibility for addressing the future problem by assisting with its funding. Hopkins responded that he prefers to simply look at it as a public health issue that government agencies responsible for the welfare of County citizens should work together to address.

He said he hopes that the BOS will continue to provide the annual funding per the 2016 agreement. The County's 2019 contribution of \$171,787 is less than 0.4% - less than one half of one percent - of the County's \$43,675,340 budget. But it is a much larger portion - almost 4% - of ACSA's \$4,765,140 2019 budget, and will be used for the protection of public health in Amherst County. He continued that VDH is depending on this work, thus this joint funding, to complete the needed work as soon as possible, and is working with Hopkins to identify and prioritize the projects.

5. ACSA Board Reminders

- Hopkins asked the Board to provide their insights as to what a "phenomenal ACSA" would consist of no later than the March Board meeting;
- Hopkins reminded the Board of the April deadline in the adopted 2019 Rules of Procedure for the Director's 2018 performance evaluation. Board member Pugh asked Hopkins to send the forms and other data for their use as soon as possible.

IX. Matters from the Members of the Service Authority Board

ACSA Director Moore had no matter to discuss.

ACSA Director Campbell had no matter to discuss.

ACSA Director Pugh had no matter to discuss.

ACSA Chairman Ayers had no matter to discuss.

ACSA Director Tucker asked about the process of adding a member to the Service Authority Board.

County Attorney Lockaby explained that the Articles of Incorporation would need to be amended and the Board of Supervisors would want to adopt an ordinance of how it appoints members, and a policy on what you are looking for in board members.

He said he has drafted the Articles of Incorporation and sent those to Mr. Hopkins who has provided feedback on that.

Mr. Lockaby explained the ordinance is a simple procedure that will reflect what the Articles of Incorporation say. He said the policy is more difficult as the Board expressed it wants high ethical standards for the two citizen board members; however, the Conflict of Interest Act says you cannot require more than a certain level of clients with ethics standards, but can have a non-binding policy to guide you, which would be a political decision to follow this, such as the Board's Code of Ethics.

Mr. Lockaby said he would like to present those three items to the Board at the first meeting in October 2019.

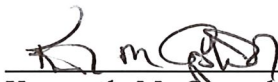
X. Adjournment

By motion of ACSA Director Campbell and with the following vote, the Board adjourned at 11:46 a.m.

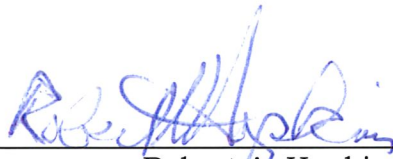
AYE: Mr. Ayers, Mr. Campbell, Mr. Pugh, Ms. Moore and Mrs. Tucker

NAY: None

ABSENT None



Kenneth M. Campbell, Vice-Chair
Amherst County Service Authority Board



Robert A. Hopkins, PE
ACSA Board Secretary