

AMHERST COUNTY SERVICE AUTHORITY BOARD

MINUTES

AGENDA

March 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 – February 5, 2019
- V. Monthly Financial Report**
 - A. January 2019 Financial Report
- VI. Old Business**
 - A. Director's Report
- VII. New Business**
 - A. 2018 VDH Award
 - B. Harris Creek Flow Monitoring Station Maintenance Fees
 - C. City of Lynchburg Wastewater Plant Capital Improvements
 - D. Director's Schedule
- 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 March, 2019, the following members were present:

SERVICE AUTHORITY BOARD:

PRESENT: Kenneth M. Campbell, Board Member **ABSENT:** L. J. Ayers III, Board Member
David W. Pugh, Jr., Board Member
Jennifer R. Moore, Board Member
Claudia D. Tucker, Board Member

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

I. Call to Order

ACSA Director Campbell, substituting for the absent L. J. Ayers, III, as Board Chair, called the meeting to order at 11:03 a.m.

II. Citizen Comment

There was no public comment.

III. Approval of Agenda

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

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

IV. Approval of Minutes

By motion of ACSA Director Tucker, and with the following vote, the ACSA Board approved the minutes of the February 5, 2019 ACSA Board meeting.

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

V. Monthly Financial Report

A. January 2019 Financial Report

ACSA Director Hopkins provided the Board with the January 2019 monthly report regarding ACSA finances. No Board action is required.

Compared to January 2018:

1. Water

Revenues: Sales +10.1%
Total Revenues +7.6%

Summary: Great start to 2019, but early.

Connections: -56.2% Two new connections in January.

2019 new water connections:

3.2% of 2018 total

9.4% of annual 5-year average

3.1% of pre-recession average (65)

2. Wastewater
Revenues: Sales: +47.1%%
 Total Revenues: +46.9%%
Summary: Great start to 2019, but early.
Connections: No new connections in January.

3. Water and Wastewater
Sales: +18.6%
Revenues: +16.0%
All Revenues: +15.7%%
Summary: Great start to 2019, but early.

VI. Old Business

A. Director's Report

ACSA Director Hopkins provided the ACSA Board updates on several items:

1. James River Bank Stabilization

- * Construction completed.
- * Still to be done: project area cleanup & revegetation, post-construction sewer video inspections
- * December 2018 post-flooding new eroding areas:
 - 3 areas from December 2018 flooding slightly worse; Director is monitoring
 - 2 additional areas with February 2019 rains, one upstream, one downstream, from project
 - Director is working on addressing all 5 areas with ACSA's construction crew, starting spring 2019.

Hopkins advised there was some minor damage to the sewer that was done during construction that was identified with the sewer inspections; he will be looking into this. The two new erosion areas lost 10-15 feet of the bank and are now encroaching on ACSA's sewer maintenance access road.

2. Water and Sewer Upgrade Projects

- * Old Town Madison Heights Sanitary Sewer Rehabilitation
 - Little progress since last Board meeting
 - Excavation work (point repairs, manholes, etc.) to begin in March
 - Contractor on schedule to be done by 6/2019 contract deadline
- * Ridge St. Water Line Replacement
 - Installation of new water line along Ridge St finished early February
 - Installation of fire hydrants, etc. spring 2019
 - ACSA crew extension of water line to cul-de-sac and existing services relocations to new line to start spring 2019, be complete by end of year
 - Developer wants to develop 8 lots in that area
- * Joint ACSA-County Sanitary Sewer Extensions
 - American Legion Hall area
 - * Still waiting for VDOT approval of final design
 - * Easement acquisitions resume with VDOT approval
 - * Phase 1 construction spring 2019; Phases 2 & 3 later in 2019

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3. Business Friendliness Initiative (Board-adopted priorities) – will be giving Board a monthly report

* Priority 1a - 1d: Availability fees policy evaluation

- Fees evaluation: Director working on annual rates and fees benchmarking study for April or May meeting.
- Better publication of methods of calculating fees: Director working with County Attorney on changes to Code and policies.
- New policy for paying high fees over several years: Director proposed developer bond with ACSA, asked survey respondents (thru EDA Director) for other ideas.
- New policy for fee reductions for water or sewer extension projects using grants: Director is working on this.

* Priority 2: Major upgrade to communications efforts

- Director initiated an ACSA information column in New Era-Progress late 2018. 2 articles published, several more being prepared.
- ACSA initiated NOTIFY software February 2019, to notify customers via phone, email, & text of upcoming late fees assessments, service cutoffs, problems, etc. Needed software upgrade completed December 2018 to implement NOTIFY.

* Priority 3: Policy for ACSA infrastructure construction

- Director is working with County Attorney on changes to County Code & policies.

* Priority 5: ACSA Board re-organization

- Ongoing. Director met with County Attorney after last Board meeting.

* Priority 6: Update Water Office building

- Director is looking for a suitable site, already built, with good location, parking, service counters, drive thru, etc. Focused on now or soon to be vacant bank branches or fast food restaurants.
- Possible BB&T and SunTrust merger announced. Both have branches in Madison Heights. SunTrust Branch at Rte. 29 & Dillard Rd more likely to close; BB&T branch is newer, larger, better location (Rte. 29 & Rte. 130). Director contacted SunTrust; no merger until late 2019 at the earliest; he will continue to follow up and report to the Board.

4. Asset Management Plan

* Progress on written Asset Management Plan

- Operations Manager getting operations and maintenance information for 4 water storage tanks and 7 pump stations.

* Infrastructure evaluations

- Contractor post-construction evaluation of James River trunk sanitary sewer done.
- Inspections of other sanitary sewers ongoing.
- Evaluation of 7 sewage pump stations done.

* Infrastructure improvements

- American Legion Hall sewer extension project design submitted to VDOT for

approval.

- Lighthouse Sewage Pump Station upgrade started, for completion in 2019.

* Central Virginia Training Center Sewer Meters

- Engineer working on site surveys, design, and bid/construction documents. Hoping to do work later this spring.

* Re-appropriations for CY2019 Budget

- Hopkins requested that this be deleted from the agenda. He ~~Want to~~ will bring this back to the Board at a future meeting.

* Board inquiry about tracking joint ACSA-County appropriations for sanitary sewer Extensions.

ACSA Director Tucker inquired about the need for the money contributed by the County to the ACSA budget when ACSA has a positive cash flow. Hopkins advised that ACSA does not maintain sufficient funds in its reserves for large cost capital improvements projects, and that, for ~~on~~ major construction projects, it is wise to have project funding in place before starting design. Tucker asked if other authorities proceed in this manner. Hopkins replied that, in his past experience as a private consulting engineer working for government agencies, every project he has ever done has proceeded in this manner; it avoids wasting significant money on design and other pre-construction project activities if unforeseen circumstances prevent project construction.

County Finance Director Stacey Wilkes said she understood that Tucker's question at the last Board meeting was about the ability to establish a separate fund for ~~to~~ the County funds as well as ACSA match. Tucker confirmed that was the case. Wilkes proceeded that would be approximately \$989,000 and she will need additional time to get the end-of-the-year financial numbers for 2018 to determine the impact. She suggested further discussions with Hopkins to mutually determine an answer to Tucker's question, to which Hopkins agreed.

- * Director Hopkins met Feb. 22 with Susan Chapman, Brown & Edwards, to discuss audit procedures and his proposed revisions to ACSA Asset Capitalization Manual.

5. James River Association

- * Director Hopkins is scheduled to participate 3/6 in a phone interview with JRA staff regarding a proposed environmental consortium, similar to ACSA's current involvement with Robert E. Lee Soil & Water Conservation District. He will participate with JRA tomorrow to work closer and provide more resources.

6. Board reminders: "Phenomenal" ACSA

Director Hopkins asked for the ACSA Board's input.

ACSA Director Tucker commented that ACSA participation in the County high school apprentice program is very important. Hopkins noted that he has already discussed the matter with County Administrator Rodgers, who said he would introduce Hopkins to the School Board staff that is working on the program. Hopkins also said he has discussed the matter with ACSA staff, who are lukewarm, but he will work on them.

ACSA Director Moore commented about the need to be in front of Lynchburg, Campbell and Bedford and asked Hopkins to come back with ideas of how to achieve this.

ACSA Director Pugh said reputation is most important and the ACSA is a for-profit business, therefore, if it is operating in the positive it is doing well. He said there was no need to supply any input. Hopkins advised he will bring back the information he has available at the April meeting.

VII. New Business

A. 2018 VDH Award

Director Hopkins reported that ACSA received a 2018 "Excellence in Waterworks Operations and Performance Award." from the Virginia Department of Health. This award recognizes waterworks that meet or exceed the federal and state standard for quality water systems. It is the 7th consecutive such annual award for ACSA from VDH and the 9th in the past 11 years. Hopkins requested that the Board vote that the Board Chair sign a drafted Letter of Commendation and direct Hopkins to distribute the letter to all ACSA staff.

By motion of Supervisor Pugh and with the following vote, the ACSA Board directed the Board Chair and Director of Public Utilities to sign and have distributed to ACSA staff the attached Letter of Commendation regarding ACSA's receipt of a 2018 "Excellence in Waterworks Operations and Performance Award" from the Virginia Dept. of Health.

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

B. Harris Creek Flow Monitoring Station Maintenance Fees

Director Hopkins advised that ACSA pays USGS to operate and maintain a stream flow monitoring gauge on Harris Creek, as a permit condition for ACSA's raw water withdrawal permit for the treatment plant. The current agreement expires June 30, 2019. He has received a proposal for renewal for the next 5-year cycle, which starts with annual fees lower than the current fees, with modest annual increases. He recommends approval by the Board and requested direction to sign the proposal and return it to USGS.

By motion of Supervisor Moore and with the following vote, the ACSA Board directed the Director of Public Utilities to sign a proposal from the U. S. Geological Survey for USGS operation and maintenance of a stream flow monitoring gauge on Harris Creek at the ACSA water treatment plant.

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

C. City of Lynchburg Wastewater Plant Capital Improvements

This is a report to the ACSA Board regarding upcoming additional debt service to be incurred for ACSA's contract with the City of Lynchburg for wastewater treatment and disposal. No Board action is required at this time.

The City will soon begin a new combined sewer overflow project with a preliminary estimated cost of \$52 million. Improvements at the City wastewater plant are expected to cost \$8.5M – \$9M. Under the contract with the City, ACSA "owns" 11.36% of the plant's treatment capacity and is required to participate in plant capital improvements projects to that percentage of cost. For this project, ACSA's preliminarily estimated cost is approximately \$1M. The first annual payment is currently scheduled for 2021. Because of the City's project financing, the City will offer ACSA 20-year financing at 0% interest.

ACSA's annual payment would be approximately \$50,000.

Hopkins prepared a payment amortization schedule (attached), which would start setting aside money (\$41,000) in the 2020 budget and increasing that budget line item by the percentage recommended in the proforma report presented each year by financial consultant Davenport. This schedule would ensure that ACSA has sufficient funds in the budget each year to make the annual payments and makes the final contribution to the fund 2 years before the final annual payment is due.

D. Director's Schedule

Director Hopkins provided the ACSA Board with his recent and upcoming work schedule for being out of the office, including vacation, work meetings and conferences, etc.
(See Attachment 1)

VIII. 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.

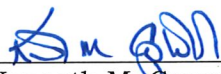
ACSA Director Pugh had no matter to discuss.

ACSA Director Tucker commented on the Building Inspection department having an internship program and asked ACSA Director Hopkins if he has given this any thought within the water department. ACSA Director Hopkins advised this is something he is considering.


X. Adjournment

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

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



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



Robert A. Hopkins, PE
ACSA Board Secretary

- 2/22 Met w/ Susan Chapman, Brown & Edwards, about ACSA finances familiarization
- 2/28 Northwest Central Virginia Utility Managers Information Sharing, Charlottesville
- 3/1 Vacation
- 3/6 James River Association Environment Consortium phone interview
- 3/8 Virginia Association of Municipal Wastewater Agencies meeting, Richmond
- 3/13 Region 3 Lynchburg Water Contamination Tabletop Exercise, Lynchburg
- 3/14-19 Vacation
- 3/20 AWWA waterworks resiliency conference in Richmond
- 3/26 Amherst County High School life training event
- 4/3-5 Governor's Infrastructure Financing Conference, Roanoke

