

**AMHERST COUNTY SERVICE AUTHORITY BOARD
MEETING MINUTES**

AGENDA
June 4, 2019

Administration Building - 153 Washington Street - Public Meeting Room
Amherst, Virginia 24521
11:01 a.m.

- I. Call to Order**
- II. Citizen Comment**
- III. Approval of Agenda**
- IV. Approval of Minutes**
 - A. Minutes – May 7, 2019
- V. Monthly Financial Report**
 - A. April 2019 Financial Report
- VI. Old Business**
 - A. Director's Report
- VII. New Business**
 - A. ACSA Accounting Clerk Military Deployment
 - B. Robert E. Lee Soil & Water Conservation District Return of ACSA Fund Balance
 - C. Appropriation: New Central Virginia Training Center Sewer Meters
 - D. Commonwealth of Virginia Long Term Care Insurance
 - E. 2019 Annual Benchmarking Study of ACSA Rates and Fees
 - F. 2019 Water and Wastewater Professionals Appreciation Day
 - G. July 2019 ACSA Board Meeting
 - H. Director's Schedule
 - I. ACSA Director Performance Evaluation for 2018
- 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 4th day of June, 2019, at 11:01 a.m., the following members were present:

Connections: -48.4% (thirteen new connections so far in 2019)
2019 new water connections:
20.6% of 2018 total

60.8% of annual 5-year average
20.0% of pre-recession average (65)

2. Wastewater

Revenues: Sales: +13.0%
 Total Revenues: +8.7%

Summary: Good start to 2019, especially with new service connections down and several expected soon.

Connections: -23.8% (six new connections so far in 2019)
 27.3% of 2018 total
 54.5% of annual 5-year average
 40.0% of pre-recession average (15)

3. Combined Water and Wastewater

Sales: +9.3%
Revenues: +5.4%
All Revenues: +5.3%%

Summary: Good start to 2019, especially with new service connections down and several expected soon.

VI. Old Business

A. Director's Report

Hopkins provided the Board updates on items from past Board meeting discussions.

1. James River Bank Stabilization

- * ACSA cost-share portion (\$34,239.212) of contractor change order sent to Corps of Engineers on May 7. Board member Tucker asked if this payment terminates cost outlay by ACSA for this project; Hopkins responded that there should be no further payments required.
- * ACSA completed a temporary repair on the first of 5 new erosion areas on both sides of the recent construction (photos provided) and will continue working on the other 4.
- * ACSA is waiting for Corps of Engineers follow up of tentative offer to help extend the project (1) downstream, to fill the gap between the 2007 and 2018 construction revetments, and (2) upstream, around the bend.

2. Water and Sewer Upgrade Projects

- * Old Town Madison Heights Sanitary Sewer Rehabilitation
 - Excavation work (point repairs, manholes, etc.) nearly done; sewer lining work to begin in June.
 - Contractor on schedule to be done by DHCD grant funding deadline
- * Woodvue Dr. Water Line Replacement
 - Hopkins is working with Biscuitville on new restaurant development at Rte. 29 and Woodvue Dr. He is also working with VDOT on locating the existing ACSA water Main under Rte. 29 and Woodvue Dr., which will be extended to facilitate the Biscuitville water service connection. Unfortunately, the existing line is many decades old, ACSA has no plans, underground utilities are very difficult to find, and what has been found is a very confusing pipe alignment. So the work is taking a lot of time.
- * Joint ACSA-County Sanitary Sewer Extensions

- American Legion Hall area
 - * Still waiting for VDOT approval of final design.
 - * Easement acquisitions to resume with VDOT approval, with County Attorney assistance.
 - * Phase 1 construction summer 2019; Phases 2 & 3 later in 2019 or in 2020.
 - * Hopkins used this as an example of his response to Board Member Tucker's statement at a previous Board meeting that the sewer extension program work is taking too long. He said he started on the American Legion Hall project in March 2018 and construction has not yet started, demonstrating the long duration required to get these projects completed.
- 3. Business Friendliness Initiative (Board-adopted priorities) – will be giving Board a monthly report
 - * Priority 1a - 1d: Availability fees policy evaluation
 - Fees evaluation: Annual rates and fees benchmarking study done and emailed to Board members May 21 (see New Business).
 - * Priority 2: Major upgrade to communications efforts
 - ACSA still collecting water-sewer customers phone numbers and email addresses for NOTIFY software.
 - * Priority 3: Policy for ACSA infrastructure construction
 - No progress since last Board meeting.
 - * Priority 5: ACSA Board re-organization
 - Ongoing. Hopkins met with County Attorney May 13 about Board re-organization and Articles of Incorporation revisions. He said, and the County Attorney agreed, that the plan is to present the final recommendations to the Board at its August meeting. The County Attorney said the Board could respond at the September meeting, still allowing time for any changes in time for implementation at the start of 2020.
 - * Priority 6: Update Water Office building
 - Hopkins said he contacted SunTrust about the possible availability of their bank branch at the corner of Rte. 29 and Dillard Rd and was told there is no update from previous communications.
- 4. Asset Management Plan
 - * Progress on written Asset Management Plan
 - No progress since last Board meeting.
 - * Infrastructure evaluations
 - Inspections of Ivanhoe Forest subdivision sanitary sewers to begin in June, as the first step in the next sewer extension project into developed areas, and also replacement of the Ivanhoe Forest wastewater treatment plant with a pump station, using DEQ grant money.
 - * Infrastructure improvements

- Woodvue Dr. water line replacement started.
- American Legion Hall sewer extension project waiting for VDOT design approval.
- Lighthouse Sewage Pump Station upgrade started, for completion later in 2019.
- Reservoir primary spillway improvements started, with 4/30 inspection dive; waiting for inspection report. Hopkins will report plans to the Board in August.

* Central Virginia Training Center Sewer Meters

- All equipment installed and operational on May 21.
- Meeting to install and train on data transmission software was done.
- All contractor invoices paid; CVTC invoiced for reimbursement.
- Appropriation needed to move CVTC reimbursement of \$35,537.70 from ACSA reserves to CY2019 budget to replenish budget line item for other 2019 work (see New Business).

5. Board reminders: Director's 2018 performance evaluation

- * The Board decided at its May meeting to do the evaluation at the June meeting (see Closed Session).

6. Amherst County High School Water-Wastewater Operator Apprentice Program

- * Hopkins is reviewing the Western Virginia Water Authority 3-year-old operator apprenticeship program. He said that, based on that, he would recommend not proceeding with an apprentice program at ACSA. But the Town of Amherst started an apprentice program; Hopkins is awaiting program details from Town Manager Sara Carter and will report to the Board later in 2019.

VII. New Business

A. ACSA Staff Military Deployment

- * Hopkins reported that Water Office Accounting Clerk Harsh Sharma was deployed with his military reserve unit to Afghanistan for up to 400 days (but probably 9 months). He left May 30. Per Federal and County requirements, he will be paid his full salary for 3 weeks, then go on unpaid leave. He plans to return to ACSA, which will hold his position and rehire two retired Accounting Clerks (Donna Murray and Kanzada Phillips) part-time to help.

B. Robert E. Lee Soil & Water Conservation District
Return of ACSA Cost-Share Fund Balance

- * Hopkins reported that ACSA received a check from the District for \$169,424.46 to return the outstanding balance from ACSA's cost share contributions to help fund the Amherst County Watershed Coordinator and Education Specialist positions and various programs the District did, before terminating the Memorandum of Understanding with ACSA (as they did with Amherst County, the Town of Amherst, and others), to improve water quality in the County. The check was immediately taken to the Amherst County Treasurer for deposit into ACSA reserves.

Board member Tucker asked if there are other outstanding financial commitments of either agency to the other. Hopkins said no; from conversations with District staff, he understood they would hold onto the entire fund balance until determining what monies must remain to complete existing projects, then return the balance to ACSA. The check should indicate that the financial obligations of each agency to the other are ended.

Hopkins said the money is a windfall that can fund 2 appropriations from reserves that he was planning:

- \$21,000 to replace a failed variable frequency drive at the Williams Run Sewage Pump Station.

- ACSA needs a new backhoe, cost approximately \$100,000. ACSA has 2 backhoes.

The primary is 19 years old, has required almost \$10,000 in repairs the last 2 years, and is no longer capable of being the primary, though it can serve as a temporary backup. The backup is 32 years old and is not of much use. Equipment of this type and use cannot stay in service for much more than 20 years.

To avoid an appropriation from reserves, Hopkins planned to not purchase budgeted new trucks for the ACSA fleet in either 2019 or 2020, using that money and other 2020 budget money for the backhoe purchase, with Board permission. But the District reimbursement will allow ACSA to proceed with the purchase now without an appropriation from reserves. Hopkins will return to the Board at the August meeting with equipment information and cost and a request to proceed.

By motion of Director Moore, and with the following vote, the ACSA Board appropriated \$21,000 from the reimbursement by the Robert E. Lee Soil & Water Conservation District recently deposited into ACSA reserves for the replacement of a failed variable frequency drive at the Williams Run Sewage Pump Station.

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

C. Appropriation: New Central Virginia Training Center Sewer Meters

- * Hopkins reported that the new meters are installed and operational and CVTC has been invoiced \$35,537.70 of the up to \$50,000 CVTC offered to reimburse ACSA for new meters. When the reimbursement arrives, it will be deposited into ACSA reserves. Hopkins needs the money appropriated into the Calendar Year 2019 Budget to replenish the line item from which contractors were paid, so as to be able to do other work in 2019.

Board member Pugh asked about the need for sewer meters, noting his understanding that wastewater is often billed using the meter readings for drinking water use. Hopkins and ACSA Operations Manager Glenn Micklem responded that that is true; ACSA also does that for individual residences, buildings, and small campuses. But it is inadvisable to do this for a campus that cover hundreds of acres and includes scores of buildings. Also, when the meters were first installed, the buildings' roof drains and other stormwater drains were connected to the sanitary sewer system; using the drinking water use for wastewater billing would neglect the very high volume of stormwater also being pumped to the City of Lynchburg wastewater plant for treatment, for which the City bills ACSA.

By motion of Director Pugh and with the following vote, the ACSA Board appropriated \$35,537.70 from ACSA reserves to replenish ACSA's Calendar Year 2019 Budget for payments to contractors for the installation of two new wastewater meters at Central Virginia Training Center.

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

D. Commonwealth of Virginia Long-Term Care Insurance Program

- * Hopkins reported that ACSA staff are now eligible for long-term care insurance offered by the Virginia Retirement System. There would be no cost or time requirement for ACSA; the program is voluntary, with staff paying all premiums, and VRS would

conduct the open enrollment in autumn with responding staff. Hopkins reminded the Board that the Board of Supervisors approved this same request for County staff at its April meeting. Hopkins requested direction to execute and return to VRS the application to be part of the long-term care insurance program.

By motion of Chairman Ayers and with the following vote, the ACSA Board directed the ACSA Director to complete and submit the adoption agreement to allow State-sponsored long term care health insurance to be offered to ACSA employees.

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

E. 2019 Rates and Fees Benchmarking Study

- * Hopkins reported completing and emailing the study to Board members on May 21. The study is based on information from Draper Aden & Associates. Highlights:

Water:

- ACSA rates and fees were compared to two Lynchburg Municipal Service Area utilities (Bedford Regional Water Authority and Campbell County Utilities and Services Authority) and 17 other utilities of similar type and size to ACSA.
- ACSA rates were between BRWA and CCUSA, but 3.6% below their average, and lower than 11 of the 17 non-MSA utilities in the study and 5.9% lower than their average.
- ACSA availability and connection fees were lower than both MSA utilities and 15.1% lower than their average. They were higher than most non-MSA utilities, but research into those utilities revealed that many of their fees data were not in the Draper Aden report, making the data unreliable. Also, ACSA does not "compete" with those other utilities for new economic growth and development.
- 12 of the 19 benchmarked utilities have or will raise their rates in 2019, since the Draper Aden report.
- Preliminary recommendations for 2020 (pending the Davenport & Co. annual cash flow proforma report in September):
 - Rates: The 6.60% rate increase recommended by Davenport the last two proforma reports should be continued for 2020 (unless recommended increases in fees allows reduction of this percentage to help low- and fixed-income customers).
 - Service charge: Remain as is.
 - Connection fee: Increase \$215 to \$1,500 (matching BRWA and CCUSA).
 - Availability fee: Increase \$210 to \$3,000 (\$400 higher than CCUSA, but \$1,000 lower than BRWA).
 - Combined fees: Increase \$425 to \$4,500 (higher than CCUSA, lower than BRWA, and 6.3% lower than their average).

Sewer:

- ACSA rates and fees were compared to BRWA and CCUSA, and 19 other utilities of similar type and size to ACSA.
- ACSA rates were between BRWA and CCUSA, but 5.0% below their average, and lower than 12 of the 19 non-MSA utilities in the study and 13.5% lower than their average.
- ACSA availability and connection fees were lower than both MSA utilities and 20.2% lower than their average. They were higher than most non-MSA utilities, but research into those utilities revealed that many of their fees data were not in the Draper Aden report, making the data unreliable. Also, ACSA does not "compete" with those other utilities for new economic growth and development.
- 12 of the 21 benchmarked utilities have or will raise their rates in 2019, since the Draper Aden report.

- Preliminary recommendations for 2020 (pending the Davenport & Co. annual cash flow proforma report in September):
 - Rates: The 7.75% rate increase recommended by Davenport the last two proforma reports should be continued for 2020 (unless recommended increases in fees allows reduction of this percentage to help low- and fixed-income customers).
 - Service charge: Increase \$1.00 to \$5.00 (BRWA's is \$23.00, CCUSA's is \$12.00).
 - Connection fee: Increase \$100 to \$1,500 (matching CCUSA, \$400 lower than BRWA).
 - Availability fee: Increase \$690 to \$4,500 (\$150 lower than CCUSA, \$2,000 lower than BRWA).
 - Combined fees: Increase \$790 to \$6,000 (lower than CCUSA and BRWA, and 8.1% lower than the MSA average).

Hopkins reported sending the study to Davenport & Co. to begin their annual cash flow proforma report for September presentation to the Board. The above recommendations are preliminary from ACSA staff; the final recommendations will be in the proforma.

- * Board member Moore asked for clarification regarding the other utilities benchmarked. Hopkins said that BRWA and CCUSA are looked at most closely, because Amherst County "competes" with both for new development. But other utilities across Virginia of similar type (surface water source for drinking water treatment) and approximate size (2,500 – 12,500 water connections and 700 – 2,500 sewer connections (ACSA has about 7,000 and 950, respectively) are also benchmarked, to provide a more broad view.
- * Board member Tucker noted that the ability to raise fees does not mean it must be done; Amherst County is in a "business friendliness initiative" to increase economic growth and development, and fee increases would be opposed by developers. Hopkins agreed, but repeated that fee increases for developers might mitigate rate increases for water and sewer households, many of whom are low-income and fixed-income. But it will be the Board's decision later in 2019, after Davenport's input.
- * Board member Campbell said that BRWA and CCUSA get outside funding from tobacco Grants; that money can be used by Bedford County and Campbell County to pay all or part of new fees for developers; Amherst County receives no tobacco money and cannot provide developers such assistance, so ACSA fees increases could hurt growth and development in Amherst County. Board member Pugh countered that it is not known if either County uses the tobacco money for that purpose. He continued that Amherst County provides such assistance when it is possible, using as an example the \$400,000 the County is giving to the developer of the Phelps Road School redevelopment project to help with the water and sewer line upgrades and connection and availability fees.

F. 2019 Water and Wastewater Professionals Appreciation Day

Hopkins reminded the Board of its designation in 2018 that June 30 of each year will be Amherst County Water and Wastewater Professionals Appreciation Day. He said that ACSA will have a luncheon for staff, tentatively scheduled for Thursday, June 27, at noon, at the Madison Heights Public Library, and extended Board members an invitation.

G. 2018 Consumer Confidence Report

Hopkins reported that the CCR is done, being printed, and will be mailed to all ACSA customers in June.

H. July Board Meeting

Hopkins informed that Board that the July meeting will be Tuesday, July 2, two days before the Independence Day holiday. He reminded the Board that they often cancel the July Board meeting to avoid vacation conflicts, and noted that the Board of Supervisors, at its May 21 meeting, cancelled its meeting scheduled for July 2.

He said he raised this issue to see if the Board wants to cancel its July 2 meeting.

Board member Pugh asked Hopkins if he expected any important issues that cannot wait to be on the July 2 Board meeting agenda. Hopkins replied no. Pugh noted that if anything like that comes up, a meeting on July 2 or another day could be scheduled. Hopkins and the County Attorney concurred that that would only require three days public notice.

By motion of Director Pugh and with the following vote, the Board approved the cancellation of its scheduled meeting on July 2, 2019.

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

I. Director's Schedule

Hopkins provided the ACSA Board with his recent and upcoming work schedule:

6/5, 6/10, 6/17, 6/20, 6/24, and 7/1 County staff meetings
6/6 Virginia Association of Municipal Wastewater Authorities meeting, Richmond
6/10 Old Town Madison Heights CDBG Project Management Team meetings
6/12 Local utility director meeting, City of Lynchburg wastewater treatment plant
6/12 County Fair Logistics Committee meeting
6/13 Virginia Forests and Drinking Water Forum, Charlottesville
6/18 Doctor appointment
6/18 Meeting with Board of Supervisors (evening)
6/19 Amherst County Fair meeting

VIII. Matters from the Members of the Service Authority Board

Director Tucker had no matter to discuss.

Director Moore had no matter to discuss.

Director Pugh had no matter to discuss.

Director Campbell had no matter to discuss.

Board Chair Ayers said he received a call from Biscuitville regarding unexpected project costs of \$50,000 regarding erosion and sediment control and concern over the possibility of high costs for water and sewer services connections. Hopkins replied that he moved the Woodvue Dr. water line replacement project to the top of ACSA's replacement list to be able to use ACSA funds to reduce Biscuitville's cost for the water connection; without the water line replacement, Biscuitville would have to pay for directionally drilling a new water service beneath Rte. 29 and for Rte. 29 pavement removal and restoration, if VDOT allowed the work; with the water line replacement, Biscuitville will instead pay no more than half the cost to replace the water line to its site, as well as the normal availability/connection fees; ACSA will pay at least half of the cost to replace the water line to the Biscuitville site, and all of the cost to replace the rest of the existing line to the end of Woodvue Dr., as well as install fire protection for the area. He said that the costs for the work had not yet been developed, because ACSA was having trouble finding the existing water main to which to connect. He continued that he was working closely with Biscuitville and their engineer and the only concerns expressed to date pertain to the delays caused by the inability to find the pipe. He reiterated his intent to keep Biscuitville's costs as low as possible. Ayers noted his and the Board's desire that the Biscuitville development be completed and asked Hopkins to keep him informed of progress.

IX. Closed Session

A. A closed session pursuant to § 2.2-3711 (A)(1) of the Code of Virginia, 1950, as amended, for the purpose of the discussion or consideration of assignment, appointment, promotion, performance, demotion, salaries, disciplining, or resignation of an employee of the Amherst County Service Authority.

Director Tucker moved that the Amherst County Board of Supervisors convene in closed a closed session pursuant to § 2.2-3711 (A)(1) of the Code of Virginia, 1950, as amended, for the purpose of the discussion or consideration of assignment, appointment, promotion, performance, demotion, salaries, disciplining, or resignation of an employee of the Amherst County Service Authority.

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

Director Tucker motioned to come out of closed session and was approved with the following vote:

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

CERTIFICATION OF CLOSED MEETING

Director Tucker moved that the Amherst County Board of Supervisors certify by a recorded vote that, to the best of each Board member's knowledge, only public business matters lawfully exempted from the open meeting requirements of the Virginia Freedom of Information Act and identified in the motion authorizing the closed session were heard, discussed, or considered in the closed session.

Mr. Ayers	AYE
Mr. Campbell	AYE
Mr. Pugh	AYE
Ms. Moore	AYE
Ms. Tucker	AYE

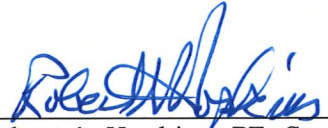
X. Adjournment

By motion of Chairman Ayers and with the following vote the Board adjourned at 12:13 p.m.

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

L. J. Ayers, III, Chair
Amherst County Service Authority Board


Vice Chair


Robert A. Hopkins, PE, Secretary
Amherst County Service Authority Board