

**AMHERST COUNTY SERVICE AUTHORITY BOARD
MEETING MINUTES**

AGENDA

November 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 – September 3, 2019
- V. Monthly Financial Report**
 - A. September 2019 Financial Report
- VI. Old Business**
 - A. Director's Report
- VII. New Business**
 - A. 2020 Water and Sewer Rates and Fees Adjustments
 - B. PJM Power Demand Response Program
 - C. VDOT SmartScale Project for Phelps Road Improvements
- 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 November, 2019, at 11:00 a.m., the following members were present:

SERVICE AUTHORITY (ACSA) BOARD:

PRESENT: L. J. Ayers III, Chair Kenneth M. Campbell, Vice Chair Claudia D. Tucker, Board Member David W. Pugh, Jr., Board Member Jennifer Moore, Board Member	ABSENT: None
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STAFF PRESENT: Robert A. Hopkins, PE, ACSA Director of Public Utilities/Board Secretary
Glenn Micklem, ACSA Operations Manager
Jeremy Carroll for Amherst County Attorney Michael W. S. Lockaby
Regina M. Rice, Executive Assist Clerk to Boards

I. Call to Order

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

II. Citizen Comment

Alan Wood spoke on the proposed ACSA Board re-organization, noting support for the concept. He suggested changes to improve Section 9 of the draft revised Articles of Incorporation, including requiring that a citizen Board member be an ACSA customer during tenure on the Board; removing or amending the text about a citizen appointee having management interest in a company that is an ACSA customer (such person should be an owner of such a company, not just a manager); and requiring that citizen appointees be County citizens.

Board member discussions resulted in changes to Section to require citizen appointees to be County citizens, that at least one of the two appointees be an ACSA customer, and that one of the two appointees may be the owner of a business that is an ACSA customer.

Board member Tucker then suggested stipends for Board members. Board member Pugh noted that the County has a policy for Board member stipends, but added that, in the case of a citizen appointed to serve in place of a County Supervisor who opts to not serve on the ACSA Board, the stipend should come out of the Supervisor's stipend, because Supervisors are elected with the understanding that they also serve on the ACSA Board.

Attorney Carroll was directed to have the revised draft Articles of Incorporation revised to address these matters, for consideration at the December 3 Board meeting.

III. Approval of Agenda

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

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

IV. Approval of Minutes

By motion of Director Campbell, and with the following vote, the Board approved the minutes of the October 1, 2019 Board meeting:

AYE: Mr. Ayers, Mr. Campbell, Mr. Pugh, and Ms. Moore
NAY: None
ABSENT None
ABSTAIN: Ms. Tucker (was not present at the October 1, 2019 meeting)

V. Monthly Financial Report

A. September 2019 Financial Report

Hopkins reported on ACSA finances. No Board action was required. He noted that recitation of the report numbers at Board meetings may be confusing to the Board, pointed out current numbers in the Board packet, and asked for questions.

Compared to September 2018:

1. Water

Revenues:	Sales	+1.2%
		(+0.01% in August 2019 financial report)
		(would be +4.9% with 2018 CVTC prepayment)
	Total Revenues	-1.4%
		(-2.4% in July 2019 financial report)
		(would be +0.01% with 2018 new services)
		(would be +1.9% with 2018 CVTC prepayment)
		(would be +4.2% with 2018 new services and 2018 CVTC prepayment)
Connections:	-37.9%	(-39.5% in July 2019 financial report)
	28 new connections so far in 2019; 3 in September.	
	2019 new water connections:	
		44.4% of 2018 total
		130.8% of annual 5-year average
		43.1% of pre-recession average (65)

2. Wastewater

Revenues:	Sales:	-17.6%
		(-21.0% in June 2019 financial report)
		(would be +10.6% with 2018 CVTC payment)
	Total Revenues:	-16.3%
		(-19.9% in June 2019 financial report)
		(would be -16.3% with 2018 new services)
		(would be 9.8% with 2018 CVTC prepayment)
		(would be 9.8% with 2018 new services and 2018 CVTC prepayment)
Connections:	+1.2% (12 new connections in 2019; 2 in September)	
	2019 new sewer connections:	
		54.5% of 2018 total
		109.1% of annual 5-year average
		80.0% of pre-recession average (15)

3. Combined Water and Wastewater

Sales: -3.6%
(-5.3% in June 2019 financial report)
(would be +6.4% with 2018 CVTC prepayments)

Revenues: -5.1%
(-6.8% in June 2019 financial report)
(would be -3.4% with 2018 new services)
(would be +3.8% with 2018 CVTC prepayments)
(would be +5.6% with 2018 new services and 2018 CVTC
CVTC prepayments)

All Revenues: -5.1%
(-6.7% in June 2019 financial report)
(would be -3.4% with 2018 new services)
(would be +3.8% with 2018 CVTC prepayments)
(would be +5.5% with 2018 new services and 2018 CVTC
CVTC prepayments)

Summary: All percentage figures improved since the report for August at the October Board meeting. As reported in meetings since June 2019, the 2019 revenue percentage deficits compared to the same month in 2018 result from two issues: (1) 2019 growth has only been a fraction of 2018 growth, causing a big drop in ACSA revenues from new water and sewer service connections, and (2) the lack of Central Virginia Training Center's historic large pre-payment of ACSA water and sewer bills (in 2018, \$82,630 for water, \$215,740 for sewer), due to the imminent (mid-2020 closure of CVTC), opting instead to pay monthly ACSA utility bills.

VII. Old Business

A. Director's Report

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

1. James River Bank Stabilization

- * The Corps of Engineers finished its project closeout and will refund \$2,120.52 of ACSA's cost share. Closeout includes responsibility for the revetment being given to ACSA, with issuance to ACSA of an Operations and Maintenance Manual. Hopkins sent 16 clarification questions back to the Corps, responses to which may facilitate ACSA actions regarding new erosion areas since project completion reported to the Board that have been, or need to be, addressed.
- * The VA Dept. of Environmental Quality completed its closeout inspection with Hopkins on Nov. 7, is satisfied with all work (including not even noticing any difference between the Corps contractor construction and the ACSA crew temporary repair at the east end of the Corps work), and will provide the Corps and ACSA a release for the DEQ project permit.
- * Hopkins continues to monitor new erosion areas on both sides of the project.
- * Hopkins is scheduling a site meeting with ACSA's engineers to plan a future remediation project.
- * Hopkins continues to work with the Central VA Planning District Commission on its draft Hazard Mitigation Plan, the completion of which will make ACSA projects, eligible for FEMA hazard mitigation grant funding.

- * Hopkins attended an Oct. 23 James River Association Consortium, with goals of getting JRA involvement in the CVPDC Hazard Mitigation Plan, assistance with future James River bank stabilization projects, and participation in a new County waterways protections alliance to replace the one terminated by Robert E. Lee Soil & Water Conservation District early this year.

2. Water and Sewer Projects

- * Old Town Madison Heights Sanitary Sewer CDBG Grant Rehabilitation
 - Sewer rehabilitation work is done; site and pavement restoration will be done in November; final completion, final payment, and project closeout will be done in December.
 - Contractor Payment Requests 1 – 4 have been paid by ACSA, with a request for DHCD reimbursement submitted late October. PR5 is received, will be paid upon receipt of the submitted DHCD reimbursement.
- * Woodvue Dr. Water Line Replacement
 - Phase 2, water line extensions across Biscuitville Rte 29 and Woodvue Dr. frontages, with B'ville water service installation, finished Oct. 10; negative bacteriological test results received 10/28.
 - Hopkins working on planning and easements for Phase 3 extension to end of Woodvue Dr.; work spring 2020.
 - Phase 1 Rte. 29 pavement problem: Contractor and Hopkins met with VDOT Oct. 31. Contractor insurance will pay for VDOT paving contractor to restore pavement; VDOT will then vacate ACSA project permit.
- * Sanitary Sewer Extensions – American Legion Hall Area
 - Easement acquisitions were on hold for Woodvue Dr water line project, but have resumed.
 - VDOT approved site plans.
 - Phase 1 construction winter 2019 and spring 2020.

3. Business Friendliness Initiative (Board-adopted priorities)

- * Priority 1a – 1d Water and sewer availability fees policy evaluation
 - Nov. 19 public hearing for 2020 rates and fees adjustments public hearing was advertised in New Era Progress last two weeks of October.
- * Priority 2 Major upgrade to communications efforts:
 - Nothing new since last Board meeting
- * Priority 3 Clear policy regarding ACSA construction of water & sewer lines
 - Nothing since last Board meeting.
- * Priority 5 ACSA Board re-organization
 - Postponed into 2020; new ACSA Articles of Incorporation require names and term expiration dates, which cannot be set until post-election ACSA Board is organized, two Supervisors opt out of Board service, and citizen replacements are appointed; State Corporation Commission will then required 2 – 5 weeks for approval of new Articles of Incorporation.
 - Draft new Articles re-revised per October Supervisors and ACSA Board meetings and reviewed by Hopkins Oct. 28.

- * Priority 6 Update ACSA Water Office building
 - Hopkins is working on preliminary plans for a VDOT SmartScale project for Phelps Rd. (see New Business) to facilitate Water Office site improvements.
- 4. Asset Management Plan
 - * Infrastructure improvements
 - Old Town Madison Heights sanitary sewer rehabilitation – see above
 - Woodvue Dr. water line replacement – see above
 - American Legion Hall area sanitary sewer extension – see above
 - Old Madison Sewage Pump Station upgrade – seeking proposals
 - Great Oaks Dr. water line extension – planning joint project with developer for new Madison Heights car wash project
 - Reservoir primary spillway improvements – planning continuing for a project for in 2020.
 - Water & sewer lines relocations for VDOT Woodys Lake Rd improvements Project – 50% plans submitted to VDOT for review.
 - Design and construction for water and sewer lines relocations within project area by ACSA engineer and contractor to be VDOT- reimbursed;
 - Water line improvements within VDOT project funded by ACSA;
 - Sewer extensions into neighboring developed areas, outside VDOT project, to be funded by joint County-ACSA sewer extensions program.
- 5. Amherst County High School Water-Sewer Operator Apprentice Program
 - No progress since last Board meeting, due to higher priority work.
 - Director awaiting information on Town of Amherst apprentice program and Amherst County High School program, reviewing information on 3 year old Western Virginia Water Authority program, and awaiting reply Virginia Rural Water Association about serving on development committee for VRWA Apprentice Program.

VIII. New Business

- A. 2020 Water and Sewer Rates and Fees Adjustments
 - Resolution 2019-A-0002-R for ACSA Board adoption of proposed 2020 rates and fees adjustments and Ordinance 2019-0012 for Supervisors adoption to incorporate new rates and fees into County Code ready.
 - ACSA Board and Board of Supervisors approved Oct. 17 for public hearing;
 - Nov. 19 public hearing advertised last 2 weeks of October in New Era Progress;
 - 1st reading of Ordinance scheduled for Nov. 5;
 - Joint ACSA Board/Board of Supervisors scheduled for Nov. 19 for public hearing, consideration by ACSA Board of Resolution adoption, 2nd reading of Ordinance, and consideration by Supervisors of Ordinance adoption.
- B. PJM Power Demand Response Program
 - Pays companies using significant electricity to voluntarily disconnect from the power grid during periods of high use, to prevent brownouts and requirements to utilities for high-cost grid upgrades; also pays participating companies for annual summer tests to confirm ability to participate (also allows ACSA to test its water plant emergency generator). NRG is program administration consultant; ACSA switched to NRG from EnerNOC for 2019 due to anticipated larger payout.

- Hopkins and NRG talked Oct. 29 about ACSA 2019 performance.
 - * ACSA successfully completed its 2019 confirmation test;
 - * ACSA will be paid \$2,367.00 in two installments, 12/2019 and 6/2020, a 25% increase over 2018;
 - * Thru 2019, only summer confirmation tests were required and paid; in 2020, winter confirmation tests will be added, for additional ACSA revenue.

C. VDOT SmartScale Project for Phelps Road Improvements

- Phelps Rd. School re-development project for market-scale apartments is under way. Oct. 21 and 30 talks between Hopkins and the developer and engineer noted that demolition and interior environmental work will be done early November, when interior framing for new apartments will begin. New apartments pre-leasing scheduled for late summer 2020. ACSA's water line upgrade for new services must be done by early summer.
- Board of Supervisors committed up to \$400,000 for the water line upgrades and water and sewer availability and connection fees to facilitate the project. This was based on a 2017 estimate by Hopkins totaling almost \$376,000 for 50 units, which was increased to \$400,000 for inflation protection.
- Hopkins proposed appropriating the entire \$400,000 to ACSA in 2019:
 - * Water line design needs to be started now for spring construction;
 - * Proposed increases to 2020 ACSA tap fees can be saved;
 - * It will help ACSA's end-of-year financials; the \$400,000 will more than offset CVTC's non-payment of its historic annual lump sum payment of approx. \$300,000 for the next year's ACSA water and sewer bills (see Agenda V.A).
- The developer requested a Special Exception to reduce the 50 apartment units to 42, which will reduce the new service tap fees by an estimated \$60,000.
- Phelps Road needs improvements (see attached photographs).
- Hopkins proposed a VDOT SmartScale project application to improve Phelps Rd., Phelps Road, using the \$60,000 leftover County money to fund a Phase 1 project for new sidewalk and curb and gutter along the north side of Phelps Rd., to be constructed spring 2020 as part of the new water line installation. Use of the leftover County money will improve VDOT's SmartScale application scoring.
- Benefits:
 - * Would improve public safety, especially for Phelps Rd./Rte. 163 bus stop school kids, and ACSA customers parking and crossing Phelps Rd. to pay bills, often reducing Phelps Rd. to one lane of traffic;
 - * Would improve an aging, surface-treated road to full-depth asphalt for more vehicle traffic;
 - * Would improve stormwater management, with new curb and gutter to get runoff out of the street travel lanes;
 - * Would address area citizen concerns about new traffic from, and facilitate the development of, the Phelps Road School project;
 - * Would facilitate a long-pending Phelps Apartments Phase 2 project and future development of high-density R-3 zoned properties at the end of Phelps Rd.;
 - * Would continue Board of Supervisors focus on improving south Madison Hgts.;
 - * Would initiate new BOS Southern Madison Heights Improvements Master Plan;
 - * Would improve the quality of life for area residents, demonstrating Board of Supervisors commitment to County citizens quality of life issues;
 - * Would facilitate ACSA Water Office site improvements, access, and a new drive through window for ACSA customer convenience;

- * Would benefit many stakeholders: area residents, ACSA, ACSA customers, area businesses, school kids, developers, Phelps Rd. School project, VDOT;
- * Best of all, this can all be achieved without spending any more County money. The BOS was already planning on spending the money to subsidize the school project; instead, anticipated leftover money can be spent on area improvements.

Hopkins asked for no immediate appropriation, but only for Board consensus of support for the project concept and direction to continue its development, working with County staff, initiating contact with VDOT, and recommending the project and its funding to the Board of Supervisors. He will return at the Dec. 3 ACSA Board and BOS meetings to request a BOS appropriation and payment to ACSA.

After discussion, the ACSA Board reached consensus that the project would benefit all the stakeholders, expressed appreciation for the project concept being brought to them, and directed Hopkins to continue project development and keep the Board apprised of progress.

IX. 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.

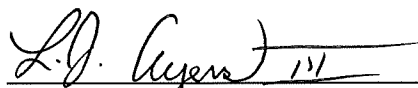
Director Campbell had no matter to discuss.

Director Ayers had no matter to discuss.

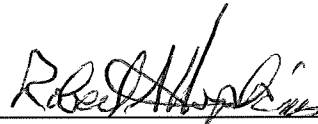
X. Adjournment

By motion of Director Campbell and with the following vote, the Board adjourned at 11:51 a.m.

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



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



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