



**AMHERST COUNTY SERVICE AUTHORITY BOARD
MEETING MINUTES**

AGENDA

December 3, 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 – November 5, 2019
- V. Monthly Financial Report**
 - A. October 2019 Financial Report
- VI. Old Business**
 - A. Director's Report
- VII. New Business**
 - A. Phelps Road School Water Line Extension, Phelps Road Improvements, and ACSA Water Office Improvements
 - B. ACSA 2020 Calendar Year Budget
 - C. 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 3rd day of December, 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
Michael W. S. Lockaby, Amherst County Attorney
Regina M. Rice, Executive Assist Clerk to Boards

I. Call to Order

Board Chair Ayers 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 Director Campbell, and with the following vote, the ACSA Board approved the agenda for December 3, 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 Pugh, and with the following vote, the Board approved the minutes of the November 5, 2019 Board meeting:

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

V. Monthly Financial Report

A. October 2019 Financial Report

Hopkins said recitation of report numbers at Board meetings may be confusing; he pointed out the current numbers in the Board packet and asked for questions. He noted that "deficits" in monthly reports since June, resulting mainly from no 2019 Central VA Training Ctr. prepayment of water and sewer bills, should stop at the March 2020 meeting, to include comparison of the January 2020 financial report to to January 2019, while ACSA was drawing on the 2018 CVTC annual prepayment.

Compared to October 2018:

1. Water

Revenues: Sales +0.7%
(+1.2% in September 2019 financial report)
(would be +4.0% with 2018 CVTC prepayment)

Total Revenues -2.6%
(-1.4% in September 2019 financial report)
(would be -0.03% with 2018 new services)
(would be +0.4% with 2018 CVTC prepayment)
(would be +2.6% with 2018 new services and
2018 CVTC prepayment)

Connections: -38.3% (-37.9% in September 2019 financial report)
29 new connections so far in 2019; 1 in October.
2019 new water connections: 46.0% of 2018 total of 63
135.5% of annual 5-year average
44.6% of pre-recession average

2. Wastewater

Revenues: Sales: -17.8%
(-17.6% in September 2019 financial report)
(would be +8.4% with 2018 CVTC payment)

Total Revenues: -13.6%
(-16.3% in September 2019 financial report)
(would be -13.5% with 2018 new services)
(would be 6.6% with 2018 CVTC prepayment)
(would be 6.8% with 2018 new services and
2018 CVTC prepayment)

Connections: -2.5%
(12 new connections in 2019; 0 in October)
2019 new sewer connections: 54.5% of 2018 total
109.1% of annual 5-year average
80.0% of pre-recession average

3. Combined Water and Wastewater

Sales: -3.9% (-3.6% in September 2019 financial report)
(would be +5.0% with 2018 CVTC prepayments)

Revenues: -5.6% (-5.1% in September 2019 financial report)
(would be -3.8% with 2018 new services)
(would be +2.1% with 2018 CVTC prepayments)
(would be +3.7% with 2018 new services and 2018
CVTC prepayments)

All Revenues: -5.6% (-5.1% in September 2019 financial report)
(would be -3.9% with 2018 new services)
(would be +2.0% with 2018 CVTC prepayments)
(would be +3.7% with 2018 new services and 2018
CVTC prepayments)

Summary: 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 annual 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.

VI. 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 \$2,120.52 refund of ACSA's cost share was received and delivered to County Treasurer.
- * Hopkins continues to monitor new erosion areas on both side of the finished project and talking to the Corps about possible future project(s). He is also working with Hurt & Proffitt on the problems.
- * The VA Dept. of Environmental Quality completed its closeout inspection with Hopkins on Nov. 7 and 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).
- * Hopkins continues to work with the Central VA Planning District Commission on its draft Hazard Mitigation Plan, attending a meeting on 11/21. He also had a CVPDC representative make a presentation at the 11/19 Board of Supervisors meeting regarding the Plan and a survey that can be completed by County residents.

2. Water and Sewer Projects

- * Old Town Madison Heights Sanitary Sewer CDBG Grant Rehabilitation
 - Project is finished; project closeout will be done in January 2020.
 - Project compliance meeting with DHCD on 11/22. DHCD Project Manager said she is very happy with the project, which came in within budget and schedule. She said she would like to do another similar project with ACSA.
 - Contractor Payment Requests 1 – 4 paid by ACSA, reimbursed by DHCD. Hopkins needs the \$231,567.63 reimbursement appropriated into the ACSA budget so he can pay Payment Request 5.

By motion of Director Ayers, and with the following vote, the ACSA Board approved the requested appropriation.

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

- Hopkins reported a minor DHCD reimbursement issue. CVPDC submitted for DHCD reimbursement of Pay Requests 1 – 4 in full, without reducing the total amount by ACSA's 1/3 project cost share. Hopkins sent a method of correction to be used for PR 5, approved by the DHCD Project Manager.

* Woodvue Dr. Water Line Replacement

- Phase 3, water line extension down Woodvue Dr., relocations of existing services, installation of fire hydrants, and abandonment of existing water line scheduled for 2020; Hopkins is working on acquiring easements.
- Phase 1 Rte. 29 pavement problem: ACSA's contractor and Hopkins are working with VDOT and VDOT's paving contractor on scope of work and schedule for the repair. No cost to ACSA; ACSA's contractor's insurance to pay for it; ACSA only involved because VDOT's permit was issued to ACSA.

* Sanitary Sewer Extensions – American Legion Hall Area

- Easement acquisitions were on hold for Woodvue Dr. water line project, but have resumed.
- VDOT approved the site plans.
- Phase 1 construction scheduled for winter 2019 and spring 2020.

3. Business Friendliness Initiative (Board-adopted priorities)

* Priority 1a – 1d Water and sewer availability fees policy evaluation

- Joint ACSA Board/Board of Supervisors public hearing conducted 11/19; no one spoke other than Hopkins. Resolution 2019-A-0002-R passed by ACSA Board 4 – 0 and signed by Board Chair Ayers and Secretary Hopkins; Ordinance 2019-0012 passed by Board of Supervisors 4 – 0 and signed by Board Chair Ayers and Clerk Rodgers.

* 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 require 2 – 5 weeks for approval of new Articles of Incorporation.
- Draft new Articles of Incorporation re-revised per October Supervisors and ACSA Board meetings and reviewed by Hopkins Oct. 28. County Attorney is working on a final draft for review.
- New Board of Supervisors to appoint themselves as ACSA Board pending SCC approval of revised Articles of Incorporation and public hearing, probably at end of first quarter 2020.
- Citizens letters of interest to serve on ACSA Board advertised 11/17 in City newspaper, 11/21 in County newspaper, with deadline of 11/30 to submit letters to County Attorney's Office. (At 11/19 Supervisors meeting, Hopkins questioned schedule, noting that, with holidays and weekends, citizens only had 3½ days to research what ACSA Board service involves and then decide; he recommended extending the open period to 12/31. County Administrator said an extension is not needed; 4 letters already submitted (as of 11/19), which was more than enough. Hopkins' recommendation discarded by BOS as unfair to those 4 who got letters submitted by published deadline.)

- Six candidates' letters of interest reported by County Administrator, who said this was not enough; open period for submittals should be extended to 12/31. Board Chair Ayers was OK with that; Director Pugh objected, saying 12/15 was enough; Director Moore objected to that, saying that would be insufficient time to advertise again; Director Tucker objected to any extension at all, repeating 11/19 Supervisors decision that it would be unfair to those who followed rules. Extension denied by Board.
- Director Pugh reported another candidate that contacted him weeks ago, but had not submitted a letter of interest. After discussion, Board reached consensus that he would be considered if he got his letter in very soon, Director Tucker objecting that was unfair to those who followed published rules and got letters submitted on time.
- Candidate interviews originally scheduled for 12/17 Supervisors meeting closed session. Campbell noted that would be his last Supervisors meeting, as a new Supervisor replaces him 1/1/2020; he suggested that he not be part of the interview process, it being delayed until the new Supervisor can participate; the Board agreed. Tucker noted that this process should not be done in closed session, but in open meeting; no decision made. The decision was made to review all candidates' submittals and decide at the 1/7/2020 Board meeting which candidates would be interviewed, at what meeting(s), and whether interviews would be open or closed sessions.

* Priority 6 Update ACSA Water Office building

- Hopkins met with VDOT Residency Administrator Robert Brown 11/19 to discuss possible VDOT SmartScale project for Phelps Road improvements, which would include Water Office site frontage. Brown very interested, especially with County funding participation. He said he would talk to his staff about design and possible other VDOT funding programs, such as Industrial Access and Recreational Access.

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 – reviewing proposals
- Great Oaks Dr. water line extension – developer change per Hopkins recommendations; new water line from Great Oaks Drive to be private; ACSA to install public road crossing and meter. Hopkins working with developer on expected average daily water use determination for availability fees assessment.
- Reservoir primary spillway improvements – planning continuing for a Phase 1 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

- Hopkins attended EFCN webinar (Creating a Water Work Force Apprentice Program) on 11/12
- 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 VA Rural Water Ass'n. about VRWA Apprentice Program.

VII. New Business

A. Phelps Road School Water Line Extension, Phelps Road Improvements, and Water Office Improvements

- Supervisors committed up to \$400,000 for necessary water line extension and availability and connection fees for Phelps Road School re-development. The developer told Hopkins in November that all interior demolition work is done, interior construction has begun, and pre-leasing for apartments will start late summer 2020. The water line needs to be operational by early summer, so design needs to begin winter 2019.
- Hopkins described the timeline to date for water line extension, including that the \$400,000 was based on his estimates assuming original 50 apartment units; a recent reduction to 41 reduces the required subsidy estimate to \$336,970, leaving \$63,060. He proposed using the leftover for improvements to Phelps Rd. described at November Board meeting (benefits listed in the meeting packet).
- Hopkins noted that the Supervisors committed to a \$400,000 appropriation, so using the left over money would not cost the County anything more than what the Supervisors were expecting. He asked that the ACSA Board ask the Board of Supervisors for the entire subsidy and that it be appropriated to ACSA before 1/1/2020. Reasons:
 - * The need to start the water line design as soon as possible;
 - * Having availability and connection fees by year end, to eliminate "deficits" in 2019 revenues compared to 2018 revenues (in monthly financial reports since July 2019), caused mainly by the lack in 2019 of CVTC's historic, annual, large lump sum prepayment of ACSA water and sewer bills (2018 prepayment was \$298,370), and end ACSA's calendar year positively;
 - * Using the \$63,060 for previously discussed Phelps Road and Water Office site frontage improvements (new sidewalk, new curb and gutter, etc.) that are needed and will
 - Kickoff the recent Supervisors directions to County staff for a south Madison Heights Master Plan and Madison Heights beautification efforts;
 - demonstrate to VDOT the County's commitment to Phelps Road improvements, which will help with VDOT funding programs scoring;
 - demonstrate to Phelps Road area residents the Supervisors' concern and commitment to their quality of life.
- The County Administrator spoke to oppose the appropriation of the left over \$63,060, saying the County has other, more pressing needs for that money.
- Director Pugh also opposed appropriating the left over money and started a discussion leading to a decision on an appropriation request for \$336,970.
- The County Administrator later advised Hopkins to have the appropriation for \$336,970 added to the 12/17 Supervisors meeting consent agenda.

By motion of Director Tucker and with the following vote, the ACSA Board requested the Board of Supervisors appropriate to the ACSA 2019 Budget a \$336,970 subsidy for the Phelps Road School redevelopment project.

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

B. ACSA 2020 Calendar Year Budget

- Hopkins described the budget preparation process:

- * Early 2019 benchmarking study of ACSA rates and fees;
- * Completion of 2018 budget audit;
- * Preparation by Davenport & Co. of annual Pro-Forma Cash Update, based on benchmarking study, audit, past budget, current budget, upcoming capital improvements projects, inflation, Hopkins' input regarding next year's ACSA needs, etc.;
- * ACSA Board adoption of Davenport-recommended scenario in Pro-Forma Cash Update and recommended rates and fees adjustments for 2020;
- * Joint public hearing for ACSA Board resolution adoption and Supervisors ordinance adoption for rates and fees adjustments;
- * Hopkins' preparation of "working" budget, using Pro-Forma Cash Flow Update recommended increases in expenditures and revenues to determine bottom line figure for 2020 budget;
- * Hopkins preparation of proposed budget, modifying "working budget" for other 2020 budget matters not included in Pro-Forma Cash Flow Update;
- * Hopkins presentation of proposed budget to ACSA Board for adoption.

- 2020 Budget highlights:

- * Total budget: \$4,959,710 Increase of 4.1% over adopted 2018 Budget

Fund #5, Operations & Maintenance	\$3,124,420	3.3% increase
Fund #6, Debt Service	\$1,226,940	6.6% increase
Fund #7, Asset Management	\$ 608,350	3.5% increase

- Hopkins noted that the higher than normal increase in debt service is due to an approximate \$1 million cost-share requirement to ACSA by the City of Lynchburg for a combined sewer overflow improvements project at the City wastewater plant, 11.36% of the capacity of which ACSA "owns" and is thus obligated to pay that percentage of plant CI projects. The City assessment will begin in 2021; Hopkins wants to start setting aside money now and annually increase it by the typical Pro-Forma percentage, which will allow the payments to be made from the annual budgets, without requiring appropriations from reserves.
- Director Tucker thanked Hopkins for his responses to her pre-meeting questions on the budget, then asked if he included the County Administrator and Finance Director in his budget preparation, noting that Hopkins obviously expended much time and effort and the Finance Director, as a CPA, might be of assistance.

Hopkins thanked her for her questions, noting that responding to them forces him to review his thought processes, which is always a benefit. He then said that he did not discuss the budget preparation with the County Administrator or Finance Director, it being currently and historically unnecessary. He noted that the prior

ACSA Director never included County staff in ACSA budget preparation and that, in 35 years as a private consulting engineer, Hopkins prepared and managed project budgets with magnitudes equal to or higher than, with time periods surpassing, ACSA's annual budget, without CPA help.

Tucker suggested consideration of County staff help with future ACSA budgets; Hopkins said he would consider it if circumstances warranted it.

- Director Moore asked if the vacant Assistant Director's position would be filled in 2020 and if funding was in the budget. Hopkins said it was his goal to fill the position in 2020, but a major candidate previously expected to be available in 2020 may not be until mid-2021. He said he is not committed to this person, understands the position must be publicly advertised, and also wants to continue seeking candidates thru the professional society meetings he attends. He noted that if a suitable candidate is found in 2020, there is money in the budget that can be moved to fund the hiring; ACSA lost an employee in early 2019 who was not replaced; his \$40,165 salary, currently still in the budget, would be about half the salary of an AD, who would hire on about mid-2020 and work half the year.

By motion of Director Campbell, and with the following vote, the ACSA Board adopted the proposed ACSA 2020 Calendar Year Budget.

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

C. Director's Schedule

- 12/3 ACSA Board and Board of Supervisors monthly meetings
- 12/4 Leadership Group (County staff) meeting
- 12/5 VA Ass'n. of Municipal Wastewater Agencies meeting, Richmond
- 12/10 DEQ Buffalo River TMDL Study meeting, Amherst
- 12/10 OTMH Sanitary Sewer Rehabilitation Project Compliance meeting, ACSA
- 12/11 AWWA regulatory compliance updates webinar, ACSA
- 12/11 Local utility directors meeting, City wastewater plant
- 12/17 Evening Board of Supervisors meeting
- 12/19 County staff meeting
- 12/19 CVPDC Hazard Mitigation Plan meeting, Lynchburg
- 12/24-25 Xmas holidays
- 1/1/2020 New Year's Day holiday

VIII. Matters from the Members of the Service Authority Board

Director Tucker had no matter to discuss.

Director Moore asked Mr. Hopkins about the ability to notify water customers when there is a service disruption. Mr. Hopkins advised he is gathering email addresses to notify customers however, does not have a current process.

Director Pugh had no matter to discuss.

Director Campbell had no matter to discuss.

Director Ayers had no matter to discuss.

IX. Adjournment

By motion of Director Campbell, and with the following vote, the Board adjourned at 11:53 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