

**AMHERST COUNTY SERVICE AUTHORITY BOARD
MEETING MINUTES**

AGENDA
February 4, 2020

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 9, 2020
- V. Monthly Financial Report**
 - A. December 2019 Financial Report
- VI. Old Business**
 - A. Executive Director's Report
- VII. New Business**
 - A. ACSA Board Schedule for Regular Meetings
 - B. New Board Member Orientation
 - C. 2019 Budget Re-Appropriations for 2020
 - D. 2020 Bad Debt Write-Off and Set-Off
 - E. Virginia Pooled Financing Program Refunding Opportunity
 - F. Resolution 2020-A-0002-R
 - G. ICMA Effective Supervisory Practices Training Completion
 - H. ACSA Staff Issues
 - I. Executive Director's 2019 Performance Evaluation
 - J. Executive Director's Schedule

VIII. Matters from the Members of the Service Authority Board

IX. Closed Session to Consider Acquisition of Real Property

X. 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 February 2020, at 11:00 a.m., the following members were present:

SERVICE AUTHORITY (ACSA) BOARD:

PRESENT:	Claudia D. Tucker, Board Chair	ABSENT: None
	Jennifer R. Moore, Board Vice Chair	
	L. J. Ayers III, Board Member	
	David W. Pugh, Jr., Board Member	
	Tom Martin, Board Member	

STAFF PRESENT: Robert A. Hopkins, PE, ACSA Executive Director/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 Tucker called the meeting to order at 11:00 a.m.

II. Citizen Comment

There was no public comment.

III. Approval of Agenda

Director Tucker amended the ACSA Agenda and added Item VII.K. Discussion of the ACSA Board for compensation of new citizen members.

By motion of Director Martin, and with the following vote, the ACSA Board approved the agenda for February 4, 2020, as amended to include Agenda Item VII.K, ACSA Board Member Compensation.

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

IV. Approval of Minutes

By motion of Director Ayers, and with the following vote, the Board approved the minutes of the January 9, 2020 Board meeting:

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

V. Monthly Financial Report

A. December 2019 Financial Report

Compared to December 2018:

1. Water

Revenues: Sales +2.8% vs. YTD 12/2018
(+0.5% in 11/2019 financial report)
(+2.3% vs. last month; no impact from
BOS Phelps Road School Re-Development
subsidy, which does not impact sales)

Total Revenues +5.9%
(-2.5% in 11/2019 financial report)
(8.4% swing includes negative impact of no
CVTC annual lump sum prepayment of
ACSA water bills in 2019 and positive
impact of Phelps Rd. School subsidy)

Connections: +23.3% (+\$44,212)(-33.9% in 11/2019 financial report)
33 new connections in 2019; 2 in December
(1 was 41 unit apartment connection)

2019 new water connections:
52.4% of 2018 total of 63
(115.9% if counting 41 apartment units)
154.2% of annual 5-year average of 21.4
(341.1% if counting 41 apartment units)
50.8% of pre-recession average of 66
(112.3% if counting 41 apartment units)

2. Wastewater

Revenues: Sales: -12.7%
(-16.7% in 11/2019 financial report)
(+4.0% vs. last month; no impact from
BOS Phelps Road School Re-Development
subsidy, which does not impact sales)

Total Revenues: +2.4%
(-12.4% in 11/2019 financial report)
(14.8% swing includes negative impact of
no CVTC annual lump sum prepayment
of ACSA sewer bills in 2019 and positive
impact of Phelps Rd. School subsidy)

Connections: +214.7% (\$211,908)
15 new connections in 2019; 1 in December
(1 was 41 unit apartment connection)

2019 new sewer connections:
68.5% of 2018 total of 22
(250.0% if counting 41 apartment units)
136.4% of annual 5-year average of 11
(500.0% if counting 41 apartment units)
100.0% of pre-recession average of 15
(366.7% if counting 41 apartment units)

3. Combined Water and Wastewater

Sales:	-0.9%	(-3.8% in 11/2019 financial report) (+2.9% vs. last month; no impact from BOS Phelps Road School Re-Development subsidy, which does not impact sales)
Revenues:	+5.0%	(-5.2% in 11/2019 financial report) (10.2% swing includes negative impact of no CVTC annual lump sum prepayment of ACSA sewer bills in 2019 and positive impact of Phelps Rd. School subsidy)
All Revenues:	+4.9%	(-5.2% in June 2019 financial report) (10.1% swing includes negative impact of no CVTC annual lump sum prepayment of ACSA sewer bills in 2019 and positive impact of Phelps Rd. School subsidy)

Summary:

Water Sales:	Up 2.8%, despite continued drop in CVTC water sales and revenues
Water Connections:	Up 23.3%, from Phelps Rd. School Re-Development subsidy
Water Revenues:	Up 5.9%, from Phelps Rd. School Re-Development subsidy offsetting lack of CVTC lump sum bills prepayment
Wastewater Sales:	Down 12.7%, from continued drop in CVTC wastewater sales and revenues and CVTC sanitary sewer repairs to eliminate storm water inflow and infiltration
Wastewater Connections:	Up 214.4%, from Phelps Rd. School Re-Development subsidy
Wastewater Revenues:	Up 2.4%, from Phelps Rd. School Re-Development subsidy offsetting lack of CVTC lump sum bills prepayment
Water/Wastewater Sales:	Down 0.9%, from continued drop in CVTC water sales and revenues
Water/Wastewater Revs.:	Up 5.0%, from Phelps Rd. School Re-Development subsidy offsetting lack of CVTC lump sum bills prepayment
Overall for 2019:	Total ACSA revenues up 4.9%, from Phelps Rd. School Re-Development subsidy offsetting lack of CVTC lump sum bills prepayment \$4,753,158 total revenues only \$11,982 (0.25%) less than \$4,765,140 projected in Board-adopted 2019 Budget

VII. Old Business

A. Executive Director's Report

Director provided the Board updates on items from past meetings.

1. James River Bank Stabilization

- * Hopkins continues to monitor new erosion areas on both sides of finished project and talk to Corps of Engineers about possible future project(s).
- * Hopkins is still waiting for Corps to respond to ACSA questions about ACSA O&M duties and responsibilities for completed project.
- * Hopkins working on a Corps nationwide permit to allow ACSA crew to address new erosion areas.
- * Hopkins continues work on Phase 2 project to address new bank erosion.

2. Water and Sewer Projects

- * Old Town Madison Heights Sanitary Sewer CDBG Grant Rehabilitation
 - Project done. Contractor Payment Requests 1 – 4 paid; PRs 5 – 7 in process of being paid; PR8 received and in review.
 - DHCD reimbursed ACSA \$231,568 for PRs 1 – 4, informed Hopkins that PRs 5 – 7 also reimbursed; Director waiting for information from County Finance Director.
 - * Woodvue Dr. Water Line Replacement
 - Phases 1 & 2 projects done; Phase 3 project in planning.
 - * Sanitary Sewer Extensions – American Legion Hall Area
 - Easement acquisitions have resumed.
 - VDOT approved site plans.
 - Phase 1 construction cost estimates approximately \$250,000.
 - Phases 2 & 3 construction cost estimates approx. \$250,000, total.
 - * Old Madison Sewage Pump Station Upgrade
 - New controls and equipment installation in January. Site survey for other site improvements coming.
 - * Reservoir Primary Spillway Repairs
 - Phase 1 repair project to be done summer 2020.
 - * VDOT Woodys Lake Road Improvements (ACSA utilities relocations)
 - H&P finishing plans for VDOT review.
 - Hopkins working on easements; will work with County Attorney.
 - VDOT wants to bid construction spring 2020, finish by end of year.
 - * Phelps Road School Re-Development Water Main Extension
 - Hurt & Proffitt working on design for County and VDOT review.
 - Construction scheduled for spring 2020, at least partly by ACSA crew.
- #### **3. Business Friendliness Initiative (Board-adopted priorities)**
- * Priority 1a Complete evaluation of water and sewer availability fees
 - Annual ACSA rates and fees benchmarking study underway by Hopkins, scheduled to be done April 2020.

- * Priority 1b Publicize methods of calculating availability fees.
 - Nothing new since last Board meeting.
- * Priority 1c Policy for payment of high availability fees over multiple years
 - Nothing new since last Board meeting.
 - Director Pugh asked for an update on W4 Car Wash project fees reported by Hopkins at last Board meeting as example of individual case to address high fees. Hopkins said the developer had not contacted him since Hopkins' suggestion. Pugh asked Hopkins to follow up, as he wants the business in Madison Heights.
- * Priority 2 Major upgrade to communications efforts:
 - Nothing new since last Board meeting.
- * Priority 3 Policy regarding ACSA construction of water & sewer lines
 - Nothing new since last Board meeting.
- * Priority 5 ACSA Board re-organization
 - 2020 re-structuring of ACSA Board
 - * Supervisors interviewed 3 of 4 selected candidates (1 did not show) at 1/9 meeting. One appointment made: Wesley Woods.
 - * County Attorney noted that he and Hopkins need to contact Woods to begin new Board member orientation; Hopkins reported that he met Woods at ACSA Water Office for an hour last week.
 - * Hopkins got Board consensus to delay new Board member tours until all new members are appointed, to (1) avoid unnecessary repeated work by ACSA staff for multiple tours and (2) so new members benefit from questions and answers of others.
 - * County Attorney noted that a tour for all 3 new Board members would require public advertisement as a public meeting.
 - Revised ACSA Board Charter
 - * With no adoption at last Board meeting, Hopkins brought this up at this meeting, as requested by the Board. Chair Tucker and Director Martin described requested changes to Section 3.0, 3.1, and 8.8. County Attorney said he would revise the draft Board Charter; Hopkins said the new revision would be on the March Board meeting for adoption.
 - * Tucker asked County Attorney for estimated timetable for new Articles of Incorporation, ACSA Board Charter, and new citizen Board appointees. Lockaby detailed a period of at least 3 months and reminded Board members that appointments of new Board members still need to be done, as well as terms of new citizen appointees. Tucker noted that she intends to opt out of ACSA Board service, as did Director Ayers. Director Martin suggested he not serve; Tucker said Martin, as a new Supervisor, should serve, and Martin agreed.
- * Priority 6 Update ACSA Water Office building
 - Nothing new since last Board meeting.

VIII. New Business

A. ACSA Board Schedule for Regular Meetings

Hopkins reported that the County Supervisors changed the time for their first monthly meeting from 1:00 pm to 3:00 pm on the first Tuesday of the month, and suggested that the ACSA Board change its meeting that day to 1:00 pm. After discussion, and by motion of Director Martin, and with the following vote, the ACSA Board approved moving its monthly meeting from 11:00 am to 1:30 pm on the first Tuesday of the month and directed Hopkins to have the change made on the ACSA web site.

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

B. New ACSA Board Member Orientation

Hopkins reported that he met with new ACSA Board member Wesley Woods at the Water Office 1/30 from 4:30 to 6:00 pm to begin his orientation. Hopkins delivered the new Board member manuals and other information, discussed various aspects of ACSA, and answered questions. He is having an ACSA Facilities Manual prepared and will deliver it with other ACSA documents and discuss orientation tours with Mr. Woods.

C. 2019 Budget Re-Appropriations for 2020

Hopkins reminded the ACSA Board that he typically asks at the February Board meeting for re-appropriations into the current year's budget any monies unspent from the previous year's budget for projects that were budgeted but not completed in the previous year and carried over to the current year. He informed the Board that he is waiting for information from the County Finance Director regarding the final 2019 budget closeout, was told that information would be available in March, and would make the re-appropriations request at the following meeting.

D. 2020 Bad Debt Write-Off and Set-Off

Hopkins reported that ACSA has numerous customers each year that skip out on their water and sewer bills. ACSA keeps the accounts open for 3 years as we try to collect the bill. If uncollected after that time, they are turned over to the Virginia Set-Off Debt Program. This program monitors tax returns and other revenue sources for those customers and returns to ACSA at least a portion of those revenues to pay off the debts. The bad debts have to be held for 3 years before being turned over to VSODP. The 2020 set-off is for 2016 and totals \$32,979.93, about 0.69% of the 2020 budget. This is an increase from the last 3 years, during which the set-off averaged about \$24,000, about 0.50% of that year's budget. Hopkins needs a consensus from the Board that the 2016 bad debts be sent to VSODP, to which the Board agreed by vote.

Hopkins noted that he first became aware of this issue in late 2017 and set 2 new policies to try to bring this under control. One is that no accounts shall exceed \$200 without being cut off until paid; the other is that 3 consecutive unpaid bills will result in water cutoff. With that policy implemented in 2018, he hopes to see reductions in annual bad debt writeoffs by the end of 2021.

He is also working with OnLine, a company that helps collect bad debts and also helps utilities identify bad account setup information provided by new customers. He will continue researching the matter, get with the County Attorney if he thinks this is a direction ACSA should go, and get ACSA Board approval before contracting with OnLine or any such company.

He also noted that there are a few large bad debts that staff believe resulted from water service leaks that were not reported or fixed or the bills paid, and then the customer left.

Board members asked about the 5 business bad debts totaling \$2,823.11, noting that at least two of the businesses are still there and operating under the same name. There was some discussion about ways that ACSA continue to try to collect these bad debts. Hopkins said he would research the matter and report back at the next Board meeting.

E. Virginia Pooled Financing Program Refunding Opportunity

ACSA received an email in January from Virginia Resources Authority about an opportunity to refinance its Series 2012A VPFP loan. He reminded the Board of a previous similar opportunity last Sept., which was assessed by Davenport & Co., ACSA's financial consultants, who recommended at the October Board meeting that ACSA not proceed because the eligible refund amount was not worth the cost of getting it. That recommendation was seconded by Hopkins and adopted by the Board. He informed the Board that the new VRA opportunity was forwarded to Davenport for evaluation, with a reminder that they and ACSA are currently working on a new bond issuance and loan for the upcoming reservoir dam and James River intake capital projects. He will keep the Board informed.

F. Resolution 2020-A-0001-R

Hopkins informed the Board that it is time to update the Emergency Action Plan for ACSA's reservoir dam. He requested a proposal from Hurt & Proffitt late last year for the update and a tabletop exercise in 2020, and also asked that they look for grant opportunities to fund the work. H&P responded that the VA Dept. of Conservation and Recreation offers a grant for this work and was told to prepare an application. That work is done and requires a Board resolution of support for the application and program and affirmation that ACSA will provide the grant match. H&P's proposal for the work is \$4,500.00, and the grant is a 50% match; DCR and ACSA would each pay \$2,250.00.

By motion of Director Martin, and with the following vote, the ACSA Board adopted Resolution 2020-A-0001-R.

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

G. ICMA Effective Supervisory Practices Training Completion

Hopkins reported that the following ACSA senior staff completed the training:

Bob Hopkins, Glenn Micklem, Dale Fulcher, Sharlene Haynes, David Fittro, Donnivan Justis, Chris Cunningham, Thomas Saunders, John Stevens, and Frances Ford.

H. ACSA Staff Issues

Hopkins reported that Michael Maynard, Water Treatment Operator Class I / Wastewater Treatment Operator Class IV, recently passed the DPOR examination and has been licensed by Virginia and promoted to Wastewater Treatment Operator Class III by ACSA.

Utility Mechanic Chris Terzakos left ACSA in January to pursue a different line of work. Hopkins requested a consensus from the ACSA Board to authorize him to advertise to replace Terzakos and fill the empty position on the crew.

I. Executive Director 2019 Performance Evaluation

Hopkins reminded Board members that the 2020 Rules of Procedure adopted by the Board 1/9 notes that the Executive Director's performance evaluation for 2019 should begin 2/1 and be completed 4/1 with a meeting of the Board Chair and Executive Director to discuss the 2019 performance and 2020 goals for the Director and ACSA. He said he has an evaluation package for each Board member, including the blank evaluation form, job description, Hopkins' 2018 Board evaluation and 2019 self-evaluation, the list of ACSA and Director goals and achievements for 2019, a similar list for 2020, and testimonials.

A scheduling discussion followed, with decisions made that the Board will meet in closed session after its March meeting to discuss the evaluation and the Board Chair will meet with Hopkins to discuss the evaluation in closed session after the April meeting.

Hopkins noted that Director Martin is new to the ACSA Board as of January and was not on the Board in 2019 and asked if that evaluation package should go to the Board member Martin replaced, Ken Campbell, since Campbell was on the Board in 2019 and would be more familiar with Hopkins' performance. The Board decided to let Martin do the evaluation, based on his observations of Hopkins' work in 2020. The Board also decided that newly appointed citizen Board member Wesley Woods, should he wish to, participate in the March closed session.

J. Director's Schedule

Hopkins presented his current schedule for February.

- 2/4 ACSA Board and BOS meetings
- 2/4 EFCN water system financial policies webinar
- 2/5 Leadership Group (County staff) meeting
- 2/5 AWWA Lead & Copper Rule changes webinar
- 2/6 Hurt & Proffitt projects meeting
- 2/12 Local utility directors meeting
- 2/13 AWWA webinar on lead in drinking water
- 2/13 Active shooter training
- 2/18 Evening BOS meeting
- 2/19 CVPDC Hazard Mitigation Plan meeting
- 2/19 Chamber of Commerce Town Hall
- 2/20 County staff meeting
- 2/20 DEQ meeting on Buffalo River TMDL Study
- 2/26 NW Central Virginia Utility Managers Lunch

K. ACSA Board Member Compensation

Tucker led continuation of a previous discussion regarding proposed financial compensation for ACSA Board members, which resulted in a decision that appointed citizens will be compensated \$100.00 for each meeting attended, to be paid out of the current year's ACSA budget.

By motion of Director Pugh, and with the following vote, the ACSA Board approved that appointed citizens to the ACSA Board be compensated \$100.00 for each meeting attended and paid out of the ACSA budget.

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

IX. Matters from the Members of the Service Authority Board

Director Ayers had no matter to discuss.

Director Martin had no matter to discuss.

Director Pugh asked about the potential car wash in Madison Heights. Mr. Hopkins reported he has not heard anything back from the business and has sent several emails with no response.

Vice-Chair Moore had no matter to discuss.

Director Tucker raised an issue about Hopkins not attending County staff meetings on Mondays. She said Board members and County constitutional officers regularly attend and that she has attended and found them worthwhile. Hopkins responded that he attended the first 5 or 6, which included no Board members or constitutional officers, and that Monday mornings are difficult for him to attend, as he is trying to get ACSA going again after a weekend. He noted that he asked for the meetings to be moved to later in the morning, which was denied. He also noted the extensive amount of time that will be spent adding these County meetings to those he already attends, which, since he commutes 1-hour roundtrip to Amherst, will amount to over half a week each month attending staff meetings. Director Pugh acknowledged the significant time spent on meetings. Hopkins said that if the Board directs him to attend, he will, and was given that direction.

Tucker then raised the issue of more collaboration between ACSA and the County and asked Hopkins about a communication from the County Attorney regarding meeting with County staff on that matter. Hopkins said he received it and talked to the County Attorney, and if directed by the Board to participate in the meetings, he will. Tucker provided that direction.

X. Closed Session

A. A closed session pursuant to VA Code Section 2.2-3711, Subsection (A)(3), for the purpose of discussion related to consideration of the acquisition of real property for a public purpose, or of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body, specifically related to the acquisition of property in District 3.

Director Ayers moved that the Amherst County Service Authority Board convene in closed session pursuant to VA Code Section 2.2-3711, Subsection (A)(3), for the purpose of discussion related to consideration of the acquisition of real property for a public purpose, or of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body, specifically related to the acquisition of property in District 3.

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

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

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

XI. Certification of Closed Session

CERTIFICATION OF CLOSED MEETING

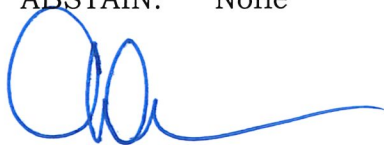
Director Ayers moved that the Amherst County Service Authority Board certify by a recorded vote that, to the best of each Board member's knowledge, only public business matters lawfully exempted from the open meeting requirements of the Virginia Freedom of Information Act and identified in the motion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

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

XII. Adjournment

By motion of Director Ayers and with the following vote, the Board adjourned at 12:26 p.m.

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



Claudia D. Tucker, Chair
Amherst County Service Authority Board



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