

**AMHERST COUNTY SERVICE AUTHORITY BOARD
MEETING MINUTES**

AGENDA

April 7, 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 – March 3, 2020
- V. Special Presentations**
 - A. Harsh Sharma
 - B. 2020 Bond Issue for Graham Creek Reservoir Dam Improvements
- VI. Monthly Financial Report**
 - A. February 2020 Financial Report
- VII. Old Business**
 - A. Executive Director's Report
- VIII. New Business**
 - A. 2020 Rates and Fees Benchmarking Study
 - B. COVID19 Impacts Preventive Actions
 - C. Addressing Bad Debt Writeoffs
 - D. 2019 Excellence in Waterworks Performance/Operations Award
 - E. James River Association
 - F. Executive Director's Schedule
- IX. Matters from the Members of the Service Authority Board**
- X. Adjournment**

MINUTES

At a regular meeting of the Amherst County Service Authority Board, held at the Amherst County Administration Building on Tuesday, the 7th day of April 2020, at 1:30 p.m., the following members were present:

SERVICE AUTHORITY (ACSA) BOARD:

PRESENT: Claudia D. Tucker, Chair Jennifer Moore, Vice Chair L. J. Ayers, III, Board Member David W. Pugh, Jr., Board Member Tom Martin, Board Member	ABSENT: None
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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 Assistant/Clerk to Boards (by remote)
Wesley Woods, future Board Member (via telephone)

I. Call to Order

Board Chair Tucker called the meeting to order at 1:30 p.m.

II. Citizen Comment

There was no public comment.

III. Approval of Agenda

By motion of Director Ayers, and with the following vote, the ACSA Board approved the agenda for April 7, 2020.

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

IV. Approval of Minutes

By motion of Director Pugh, and with the following vote, the Board approved the minutes of the March 3, 2020 ACSA Board meeting:

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

V. Presentations

A. Harsh Sharma

Mr. Sharma is an ACSA employee who has been absent on overseas military duty since May 2019 and is just returned. He presented to the Board a framed and dedicated U. S. flag that was flown in Afghanistan during his service in honor of ACSA. The Board accepted it and determined that it would be hung in the County Administration Building, probably in the Board meeting room.

The Board, with Chair Tucker doing the honors, passed and presented to Mr. Sharma Resolution 2020-A-0004-R (copy attached), thanking and commending him for his patriotism and service to his country.

By motion of Director Moore, and with the following vote, the Board adopted Resolution 2020-A-0004-R.

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

B. 2020 Bond Issue for Graham Creek Reservoir Dam Improvements

After a brief introduction by the Executive Director, R. T. Taylor, Davenport & Co., discussed the upcoming DCR-required project. A memo (copy attached) describing recent work by Davenport, the Executive Director, and bond attorneys Sands-Anderson to forward the work, was presented. He described the rates and fees adjustments of the past several years, which included increases beyond normal annual inflation to fund this project. He noted a recent funding evaluation, which determined that current funding meets the needs of Hurt & Proffitt's recent project cost estimate update (attached). He noted that bond market rates are very low right now, but very fluid and can change suddenly. He detailed the current project schedule set up by H&P and Hopkins:

Spring 2020	Design and preparation of construction bid documents
Fall 2020	Submittal of bid documents to DCR for review and approval
Winter 2021	Advertisement for and review of construction bids
Spring 2021	Award and contracting for construction
Summer 2021	Start construction

In response to Hopkins' question, Taylor said Davenport is reviewing a recent offering by Virginia Resources Authority to refinance, and refund a portion of, ACSA's existing 2012 bond loan, to see if that is a benefit to take advantage of.

He described the ability to start project design now, before bonds issuance and loan closure, and get reimbursed for such expenditures later, when the loan money is available, by Board adoption of Resolution 2020-A-0003-R (copy attached), which was presented for Board adoption:

By motion of Director Ayers, and with the following vote, the Board adopted Resolution 2020-A-0003-R.

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

VI. Monthly Financial Report

A. February 2020 Financial Report

Hopkins noted that February continued the poor 2020 start reported last month.

Compared to February 2019:

1. Water

Revenues:	Sales	-7.7%
	Total Revenues	-7.8%
Connections:		-21.9%
	0 new connections so far in 2020.	
	2020 new water connections:	
	0.00% of 2019 total of 33	
	0.00% of annual 5-year average of 22.4	
	0.00% of pre-recession average of 65	

2. Wastewater

Revenues: Sales: -20.0%
 Total Revenues: -19.0%
Connections: -28.0%
 0 new connections in 2020
 2019 new sewer connections:
 0.00% of 2019 total of 15
 0.00% of annual 5-year average of 8.6
 0.00% of pre-recession average of 15

3. Combined Water and Wastewater

Sales: -10.5%
Revenues: -10.3%
All Revenues: -10.3%

4. Summary: Hopkins attributed the 2020 slow start to:

- * Implementation of low flow plumbing fixtures in new development.
- * Continued slowdown to mid-2020 closure of Central VA Training Center, with appurtenant reductions in water and sewer usage and ACSA billings.
- * Possible early impacts of COVID19 pandemic.

VII. Old Business

A. Executive Director's Report

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

1. James River Bank Stabilization

- * Hopkins received Corps of Engineers responses to his questions regarding ACSA maintenance of the completed construction project and is reviewing.
- * He continues monitoring new erosion areas above and below the finished Project, talking to the Corps about possible future project(s), and working with Hurt & Proffitt on the problems.
- * Hopkins continues to work with the Corps of Engineers on a nationwide permit which will allow ACSA to perform temporary repairs, but has been recently delayed by the 2019 financial audit and COVID19 impacts.

2. Water and Sewer Projects

- * Old Town Madison Heights Sanitary Sewer CDBG Grant Rehabilitation
 - Hopkins held contractor Pay Request 8 for completion of the unit price contract reconciliation and change order. Both are done; Change Order 3 was a \$13,657.20 refund to ACSA; check is received and deposited.
 - Final construction cost was \$794,163.90, \$35,936.10 less than project funding (\$500,000 CDBG grant, \$250,000 ACSA grant match, \$80,000 additional ACSA funding). Hopkins noted his intent to request Board approval at a future meeting to use the left over money on more sewer inspections and design to start a Phase 3 rehabilitation project for Old Town Madison Heights.
 - Payment Request 8 and Change Order 3 (copies attached) were sent to DHCD to begin project closeout.
- * Woodvue Dr. Water Line Replacement

- Little progress on easements acquisitions since last Board meeting, due to audit, COVID19, and other work.
 - Phase 1 Rte. 29 pavement repairs completed in late March; VDOT has vacated ACSA's construction permit.
 - * Sanitary Sewer Extensions – American Legion Hall Area
 - Easement acquisitions back on hold due to COVID19.
 - Phase 1 construction scheduled for summer 2020.
 - * Old Madison Sewage Pump Station Upgrade
 - Hopkins working on site improvements (new security fence, improved access road, etc.).
 - * Reservoir Primary Spillway Repairs
 - Sluice gate and valve repairs design and bid documents started for summer 2020 project.
 - * Water and Sewer Relocations for VDOT Woodys Lake Road Improvements
 - H&P water and sewer relocations/extensions plans approved by VDOT.
 - Advertisement for construction bids was done late March.
 - Construction scheduled for early spring to fall 2020.
 - Hopkins needs a few water and sewer easements, which are delayed by COVID19, but suggested plans changes to allow construction to start and be changed later when easements can be acquired.
 - * Phelps Road Water Line Extension (for school redevelopment project)
 - Hurt & Proffitt design completed and submitted to VDOT for approval.
 - Hopkins has 3 quotes for directional bore water line installation work.
 - Hopkins working with George E. Jones & Sons and ACSA Operations Manager on remainder of construction scope of work.
 - Construction scheduled for spring-summer 2020, to have water line in place for autumn pre-leasing by developer.
 - Construction funding done with last month's Board appropriation.
 - * Graham Creek Reservoir Dam Improvements
 - See Section V.B above.
 - Grant application for Emergency Action Plan update and 2020 tabletop exercise submitted by H&P to DCR.
 - DCR 2/21/2020 renewal of dam Operations & Maintenance Certificate received (attached); expires 11/30/2021.
3. Business Friendliness Initiative (Board-adopted priorities)
- * Priority 1a – 1d Water and sewer availability fees policy evaluation
 - Rates and fees benchmarking study completed (see New Business).
 - * Priority 2 Major upgrade to communications efforts:
 - Nothing new since last Board meeting
 - * Priority 3 Clear policy for ACSA construction of water & sewer lines
 - Nothing since last Board meeting.
 - * Priority 5 ACSA Board re-organization

- 1 of 7 candidates interviewed from first citizen member advertisement selected for future appointment to ACSA Board when Board is seated;
 - 2nd advertisement for Letters of Interest closed 2/28/2020. Supervisors interviewed a candidate 3/17, another removed herself from consideration, and Supervisors will interview a third candidate at their meeting today.
 - Revised ACSA Board Charter adopted by ACSA Board at its 3/3 meeting.
- * Priority 6 ACSA Water Office updates
- Dominion 7 Architects completed a building Facility Assessment. Hopkins is reviewing and will present to the Board at a future meeting.
 - Customer-convenience drive thru work continues, with Hopkins talking to Dave McCormack, Waukeshaw Development, and the County on needed easements on the Phelps Rd. School and County ballfields park properties.

VIII. New Business

A. 2020 Rates and Fees Benchmarking Study (copy attached)

- * For 2020:
- ACSA increased rates in accordance with 2019 ProForma Cash Flow Update by Davenport & Co.
 - ACSA increased connection and availability fees for first time since 2015
- * Comparing current ACSA rates and fees with Draper Aden Study water and sewer utilities of same types and approximate same sizes:
- ACSA water rates:
 - * Higher than one Lynchburg Municipal Service Area utility (Campbell County Utilities and Services Authority), lower than the other (Bedford Regional Water Authority), where ACSA should want to be, and 5.7% higher than their average
 - * Both MSAs larger, with more connections, and more developed, both commercially and industrially, so more revenue, allowing lower rates
 - * Lower than 8 of 15 non-MSA utilities, slightly higher than their average, but 7 of 15 did/will raise rates since DAA study, so average shown is low
 - * ACSA basic service charge higher than one MSA, much lower than other
 - * Staff recommendations:
 - Rate increase is warranted; increase per Davenport recommendation
 - \$1.00 basic service charge increase, to \$13.00
 - ACSA tap fees:
 - * ACSA connection fee matches both MSAs
 - * ACSA availability fee slightly higher than one MSA, lower than the other
 - * ACSA combined fees slightly higher than one MSA, lower than the other, and 6.3% lower than their average, right where ACSA should want to be
 - * Cannot reliably compare ACSA fees to non-MSA utilities: many reported connection fees are minimums; many did not report fees; Nelson County Service Authority assesses availability fees with a monthly charge on bills; several raised fees since DAA study; all this results in non-MSA fee averages shown to be low. But ACSA does not compete with non-MSAs
 - * Staff recommendations: ACSA raised fees for 2020; no 2021 increase
 - * ACSA sewer rates:

- Higher than one MSA, lower than other, 11.7% higher than their average
- Both MSAs larger, more connections, more commercially/industrially developed, resulting in more revenue and allowing lower rates
- Lower than 10 of 19 non-MSA utilities, slightly lower than their average; 10 of 19 did/will raise rates since DAA study, so average shown is low
- ACSA basic service charge lower than both MSAs
- Staff recommendations:
 - * Rate increase is warranted; increase per Davenport recommendation
 - * \$1.00 basic service charge increase, to \$6.00

* ACSA tap fees:

- ACSA connection fee matches both MSAs
- ACSA availability fee lower than both MSAs
- ACSA combined fees lower than both MSA, 8.1% lower than their average; ACSA should want to be between the MSAs and approximate their average, but current situation is not problematic
- Cannot reliably compare ACSA fees to non-MSA utilities: several reported connection fees are minimums; many did not report fees; NCSA assesses availability fees with monthly water bill charge; several raised fees since DAA study; all this results in non-MSA fee averages shown to be low. But ACSA does not compete with non-MSA utilities regarding tap fees.
- Staff recommendations: ACSA just raised fees for 2020; no 2021 increase

B. COVID19 Impacts Preventive Actions

* Education

- Informational webinars and courses (6 so far, more coming up)
- Emails and other readings

* Public notices (ACSA web page, FaceBook, emails, mailings, Water Office door)

- Public Service Announcement 1
- 434-845-1605 voice message

* Water Office and water plant

- Re-scheduling to stagger staff work shifts
- Staff distancing while at work
- Public area closed (like many other utilities)
- Staff wearing gloves
- Staff regularly handwashing
- Increased frequency of cleaning and disinfecting
- Essential supplies and materials stockpiled

* Essential Water & Wastewater Utility Worker Status notices provided to all ACSA staff

* Customer assistance

- All staff continuing to work normal hours
- Unpaid bill late fees and service cutoffs temporarily discontinued

Board approved suspension of late fees and cutoffs 3/3 in first Public Service Announcement. Hopkins noted that this could result in many people, even those not affected by COVID19, not paying their bills, which could result in a significant revenue shortfall. He asked if this is to be a write-off of the revenue

or if a way to track the unpaid bills should be put in place for future collection. Board Chair Tucker asked for Hopkins' recommendation; he said the revenue should be collected; the Board agreed. Director Martin suggested customers be required to call ACSA to report intent to not pay bills; Hopkins noted this can be requested or suggested, but not required, per Governor's order. He said he would draft a second PSA to describe how unpaid bills due to COVID19 would be addressed by ACSA and get it to the Board for approval.

Martin asked about Code requirements for connecting to public water and sewer systems. Hopkins said there is a requirement for sewer, but he would have to check about water and let him know.

D. Addressing Bad Debt Writeoffs

- * Hopkins described the problem: each of his first 3 years, bad debts from 3 years before, amounting to approximately \$25,000 annually, from unpaid customer bills, were sent to the VA Bad Debt Setoff Program, which affords opportunity, however unlikely, to recover some of the unpaid money if the customers get tax refunds. But the 2020 write-off of 2017 bad debts was

over

\$32,000 and he wants to fix the problem inhouse. He has been working on it since 2017, instituting a new ACSA policy limiting the magnitude (\$200) and frequency of unpaid bills (two consecutive) before mandatory service cutoffs, but the policy is being applied unevenly, so he put it in writing and documented distribution to Water Office staff (attached). He hopes the 2021 writeoff of 2018 debts (he began working on this the latter part of 2017) will see a much reduced monetary value. He also, in March, filed a lien against a property with an unpaid water bill; this was a January Board meeting suggestion by the County Attorney.

E. 2019 Excellence In Waterworks Operations & Performance Award

- Hopkins reported receipt of a 3/11/2020 email from the VA Dept. of Health, informing him of ACSA's receipt of this award, which is ACSA's 8th consecutive annual award and 10th in the last 12 years (we missed only in 2010 and 2011, during the water treatment plant technological upgrade construction). He noted that the Board in the last few years has approved and signed for distribution a Letter of Commendation to all ACSA staff and asked that the 2019 draft letter (attached) be approved and signed.

By motion of Director Martin, and with the following vote, the Board approved the draft Letter of Commendation, authorized the Board Chair to sign it, and directed Hopkins to distribute it to ACSA staff with the Board's appreciation.

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

F. James River Association

- Hopkins reminded the Board that he has worked for 2 years to re-establish with another agency the Memorandum of Understanding cancelled by Robert E. Lee Soil & Water Conservation District for the partnership on improving County water quality with tree buffers, riparian buffers, livestock exclusion fencing, etc. The work was very beneficial to ACSA, the County, and the Town of Amherst, all of which had MOUs with the District cancelled by the District.

Hopkins is working with the James River Association in this endeavor and attended another JRA Consortium 3/9, which was well attended by the staffs of many local and State agencies. JRA reported on the establishment of several Action Teams for various purposes regarding stream quality and environmental protection. Hopkins volunteered to serve on the Outreach & Targeting Action Team, attended its 4/10 meeting, will participate in future meetings and events, and will keep the Board informed of progress.

G. Director's Schedule:

- 4/1 WWARN COVID19 information conference call and webinar
- 4/2 County COVID19 seminar
- 4/3 AWWA COVID19 informational webinar
- 4/6 County staff meeting
- 4/6 AWWA COVID19 informational webinar
- 4/7 ACSA and Supervisors Board meetings
- 4/8 Local utility directors' coordination Zoom meeting
- 4/9 Government Technology COVID19 informational webinar
- 4/10 James River Association Action Team Zoom meeting
- 4/13 County staff meeting
- 4/16 County staff meeting
- 4/20 County staff meeting
- 4/23 Reusens Reservoir Draft Environmental Study conference call
- 4/27 County staff meeting

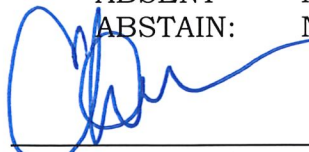
IX. Matters from the Members of the Service Authority Board

Chair Tucker had no matter to discuss.
Vice Chair Moore had no matter to discuss.
Director Ayers had no matter to discuss.
Director Pugh had no matter to discuss.
Director Martin had no matter to discuss.
Future Board Member Woods had no matter to discuss.

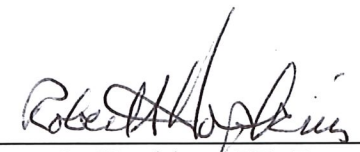
X. Adjournment

By motion of Director Ayers, and with the following vote, the Board adjourned at 2:44 p.m.

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



Claudia D. Tucker, Board Chair
Amherst County Service Authority Board



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