



**AMHERST COUNTY SERVICE AUTHORITY BOARD
MEETING MINUTES**

AGENDA

March 2, 2021

Administration Building - 153 Washington Street - Public Meeting Room
Amherst, Virginia 24521
1:30 p.m.

- I. Call to Order**
- II. Citizen Comment**
- III. Approval of Agenda**
- IV. Approval of Minutes**
 - A. Minutes – February 2, 2021
- V. Monthly Financial Report**
 - A. January 2021 Financial Report
- VI. Old Business**
 - ACSA Director's Report
- VII. New Business**
 - A. Appropriation
 - B. 2017 ACSA Bonds/Loans Refinancing
 - C. Sanitary Sewer Extensions
 - D. ACSA Board Direction Progress – New ACSA Funding Sources
 - E. ACSA Board Direction Progress – Executive Director Delegation of Duties
 - F. Miscellaneous ACSA Matters – Planning ACSA's Future
 - G. ACSA Cyber Security
 - H. House Joint Resolutions 538
 - I. Miscellaneous ACSA Matters
 - J. ACSA Executive Director 2020 Performance Evaluation

VIII. Citizen Comment

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 2nd day of March 2021, at 1:30 p.m., the following members were present:

SERVICE AUTHORITY (ACSA) BOARD:

PRESENT:	David W. Pugh, Jr., Board Chair	ABSENT: None
	Tom Martin, Board Vice Chair	
	Jennifer Moore, Board Member (arrived late)	
	Turner Perrow, Board member	
	Wesley Woods, Board member	

STAFF: Robert A. Hopkins, PE, Executive Director/Board Secretary
Richard Hall, Assistant Director
Mark Popovich, Amherst County Attorney
Regina M. Rice, Legal Assistant/Assistant Clerk to Boards

I. Call to Order

Board Chair Pugh called the meeting to order at 1:31 p.m.

II. Citizen Comment

No one spoke.

III. Approval of Agenda

By motion of Board member Martin and with the following vote, the ACSA Board approved the agenda for March 2, 2021:

AYE:	Mr. Pugh, Mr. Martin, Mr. Perrow and Mr. Woods
NAY:	None
ABSENT:	Ms. Moore
ABSTAIN:	None

Ms. Moore arrived after the approval of the Agenda and therefore did not vote on this item.

IV. Approval of Minutes

By motion of Board member Perrow and with the following vote, the Board voted to approve the minutes of the January 5, 2021 ACSA Board meeting:

AYE:	Mr. Pugh, Ms. Moore, Mr. Martin, Mr. Perrow and Mr. Woods
NAY:	None
ABSENT:	None
ABSTAIN:	None

VI. Monthly Financial Report: January 2021

A. January 2021 Financial Report

Executive Director Hopkins reported monthly financials, reflecting on January 2021. Mr. Hopkins reports that ACSA started out well. In Water, almost \$25,000, better than 10.5% compared to last year. Total revenues are almost \$124,000 ahead of last year; almost 49%. Under connections, Mr. Hopkins pointed out a correction needed. Instead of -\$4500, this should be +\$4500. There was one connection in January. For Wastewater, Mr. Hopkins also pointed out a correction needed. Under revenues, instead of -\$7601.29, this should be +\$7601.29, almost 11% ahead in wastewater compared to last year. Total Revenues for Wastewater are over 9% compared to 2020. Combined Water and Wastewater- sales are better than \$32,500, better than 10.6% ahead of 2020. Total Revenues are almost \$131,400 ahead- about 40%. Again, this includes VDOT reimbursement. Even if this is taken out, this amount goes down to better than \$36,500, almost better than 11.15%.

Board Chair Pugh reflected on how well things are going and hopefully, we can have some re-adjustments in our rates going forward- maybe next year. He has noticed water bills are more expensive with recent rate increases. He stated that we are going in the right direction. Mr. Hopkins said that going in to this year, rate increases are more in line with what we would like to do- 5 to 6% instead of 7 to 8, almost 9% increases that we've been doing for the last several years due to large capital projects that are coming up.

1. Water

a. Revenues: Sales (top 4 lines Section I.A)	+ \$24,899.72 (+10.52%) vs 2020
Total revenues	+ \$123,830.49 (+48.74%) vs 2020

b. Connections:	+ \$4,500 (+61.3%) vs 2020
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In 2021, 1 new water service connection:

2.9% of 2020 total (35)

3.6% of 5-year annual average (28.2)

1.5% of pre-recession annual average (65)

2. Wastewater

a. Revenues: Sales (top 3 lines Section I.B)	+ \$7,601.29 (10.88%) vs 2020
Total revenues	+ \$6,612.12 (+ 9.19%) vs 2020

b. Connections:	- \$0.00 (-0.00%)
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In 2020, 16 new service connections:

0.0% of 2020 total (16)

0.0% of 5-year annual average (10.8)

0.0% of pre-recession annual average (15)

3. Water and Wastewater

a. Sales:	+ \$32,501.01 (+10.60%) vs 2020
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b. Revenues:	+ \$6131,397.61 (+40.8%)
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VII. Old Business:

Hopkins reported the following, verbally and/or by report in the agenda packet:

A. ACSA Staff Report

1. James River Bank Stabilization Project

Executive Director Hopkins reported that Board Members Woods and Perrow and the EDA Director and Assistant Director joined Mr. Hopkins and Mr. Hall for their orientation tours on February 17, 2021. Part of the tour, this project was viewed. Mr. Hopkins is still working with Hurt & Proffitt to get the nationwide permit, and hopefully get our crews started, at least arrest the erosion and get temporary repairs started. He is also waiting on the results of the Case Equipment Grant application. Hurt and Proffitt has completed their topographic survey and base sheet; Mr. Hopkins will be working on a design for the 500 to 600 ft. area that needs to be addressed right away.

Board Member Perrow thanked Mr. Hopkins for his time and mentioned that it was good to meet the members of the Economic Development team.

- Board members Woods and Perrow, along with the EDA Director and Assistant Director and ACSA Executive Director, visited the site on 2/17 as part of their orientation tours. Perrow commented that ACSA should begin immediately to address the area between the two previous revetment projects; Hopkins noted that he is waiting for the nationwide permit (spring 2021?) and for results of the Case Grant.
- No change in the severity of the problem.
- Hurt & Proffitt completed topographic surveying and base sheet drawing preparation. With the drawing, ACSA staff will work with H&P on design. H&P continues working on a nationwide permit.
- ACSA continues to stockpile construction project demolition debris for bank stabilization.
- Case Construction Equipment Dire States Equipment Grant application – waiting to hear.

2. Water & Sewer Rehabilitation/Extension/Replacement Infrastructure Work

- Woodvue Dr. Water Main Replacement
 - * Nothing new to report since last Board meeting.
 - * Phase 3 easements acquisitions tabled due to COVID-19.
- Joint ACSA-County sanitary sewer extension program, Lakeview Drive
 - * Nothing new since last Board meeting.
 - * Waiting for VDH answer on stimulus funding grant application.
 - * Easement documents mailed to eight property owners for execution.
- Old Madison Sewage Pump Station upgrade
 - * Nothing new since last Board meeting.
 - * Site improvements tabled until 2021.

- VDOT Woodys Lake Road Project, ACSA Water and Sewer Relocations:

Executive Director Hopkins reports the project is complete, however, the final pay request has not been received. Mr. Hopkins was expecting this in January and again in February. He will check with Hurt & Proffitt concerning this pay request.

- * Project complete.
- * ACSA awaiting final contractor payment request, with retainage, and final project closeout information, for forwarding to VDOT for final project cost reimbursement.

- VC Mobile Home Park:

Mr. Hopkins reports the \$100,000 request from the state in a budget amendment is now \$250,000. This amendment has gone through the final General Assembly vote and is going to be sent to the Governor's Office for his signature. The extra funds may allow the project to expand to not only route a water line down Colony Road for connection to the Training Center, but to replace some of the lines that connect to the Lower Rapidan buildings and the Mobile Home Park, and connect to the city's water main- this will initiate a potential interconnection project. Mr. Hopkins is planning to perform this work using ACSA's in-house crew to stretch this money out and complete more work.

- * Delegate Wendell Walker's budget amendment for this is for up to \$250,000.
- * Amendment has passed House budget subcommittee, budget committee, and House floor vote, as presented.
- * As far as is known, the amendment has passed Senate budget subcommittee, budget committee, and House floor vote, as presented.
- * Both amendments are now with committee of selected house and Senate members to work out differences in the proposed House and Senate budgets; supposed to be complete before the end of February.
- * Final draft budget, hopefully including combined draft revision of Walker and Peake/Newman amendments, next goes to General Assembly floor vote, then to Governor for signature.

- RiverEdge Park:

- * Nothing new to report since last Board meeting.
- * Hopkins looking into ways to maintain water to the park and ACSA customers connected to City water supply line to CVTC (likely to be closed).

- Graham Creek Reservoir Dam Improvements Project:

Mr. Hopkins reports Hurt & Proffitt has started on design. He has sent copies of the COPA Base Sheet to the four property owners across Graham's Creek from where the emergency spillway will discharge. If that spillway is ever used for substantial flow, its going to tear up that other bank pretty substantially. Mr. Hopkins wants to talk to them about the possibility of armoring that or getting an easement from them or maybe if they want to sell that frontage. He expects to have a conference call during a week-end soon. Mr. Hopkins will report back to the Board.

- * Hurt & Proffitt completed site survey and is working on design.
- * First H&P invoice submitted for payment and loan reimbursement.
 - * Hopkins talking to land owners across Graham Creek from emergency spillway discharge, about possible permission, easement, or selling of creek frontage for stone revetment installation; Hopkins will keep Board informed.
- Berkshire Place Sanitary Sewer Extension:
 - * Nothing new to report since last Board meeting.
 - * Hopkins mailed letters to homeowners from whom ACSA would need sewer easements regarding support of project and willingness to grant easements. He has heard from two; needs to follow up with others.
- West Vail Court Sanitary Sewer Extension:

Executive Director Hopkins reports the County Attorney completed a draft agreement with the developer. Mr. Hopkins sent back his edits, which the County Attorney has approved. That draft agreement has been sent to the developer for review. Mr. Hopkins expects to hear back from the developer in about a week and is hoping to bring this to the April board meeting for the board to execute.

- * Hurt & Proffitt to start engineering services on completion of developer-ACSA joint venture agreement; draft agreement being prepared by County Attorney from information provided by Hopkins.

3. EDA Business Friendliness Initiative (per Board-adopted priority chart)

Mr. Hopkins reported that nothing has really happened on the various priorities. He planned to make a presentation for this meeting to discuss county code changes, however, the County Finance Director and County Attorney informed him that the Supervisors annual subsidy for the sanitary sewer extensions would possibly be cancelled. Mr. Hopkins pulled off of the county code changes presentation to prepare a presentation for the budget workshop (which he ended up not having to make).

Mr. Hopkins provided hard-copy attachments of letters to the Board Members.

Mr. Hopkins did not add all of the items because of it being too many attachments. When he first got to ACSA, he worked with Hurt and Profit for 10 years from 2002 to 2012. The Service Authority and Amherst County were his main clients. Mr. Hopkins has been long aware of all of the issues Dan French used to talk about- the issues with the Development Community and Service Authority. When he came on this was one of the first things he immediately wanted to address. Mr. Hopkins thought it was time to come back with a report on where things are going. He referred to testimonials, from multiple developers, owners, service authority customers and county staff about the improvements that are being seen with the Service Authority in relation to the local service authority and their projects. Mr. Hopkins wanted to bring it to the Board's attention because he feels like it is real good news and they all need to be aware of that.

- Priority 1a Complete evaluation of water and sewer availability fees
 - * Rates and fees benchmarking study is scheduled for April 2021.
- Priority 1b Publicize methods of calculating availability fees
 - * Hopkins drafted proposed Code changes for this. See New Business.
- Priority 1c Policy for payment of high availability fees over multiple years
 - * Hopkins drafted proposed Code changes for this. See New Business.
- Priority 1d Availability fee reductions for line extensions all or partially funded with local, state, or federal grants.
 - * Upon further review, this can be removed from the list. Availability fees are law, per County Code, and cannot be reduced, but must be paid.
- Priority 2 Major upgrade to communications efforts
 - * Hopkins reported working on updates to existing or new ACSA web site.
- Priority 3 Policy regarding ACSA construction of water and sewer lines
 - * Hopkins has been communicating this with developers on a per-project basis with, but this should be part of County Code changes that Hopkins is working on with the County Attorney.
- Priority 4 Strategic plan for aggressive development/services initiatives
 - * Hopkins to come back to the ACSA Board and also involve the Economic Development Authority in this.
- Priority 5 ACSA Board re-organization
 - * Hopkins noted that this is complete.
- Priority 6 ACSA Water Office building
 - * This was discussed at the ACSA Board planning workshop. Hopkins is working minutes for that meeting.

Executive Director Hopkins was aware of perception issues of ACSA within the Development Community long before he joined ACSA. One initial goal upon joining ACSA was to address that, using procedures in the attached staff report. He began these procedures two years before EDA did business friendliness surveys and establishment by the ACSA Board of action items to address survey responses. He has pursued procedures for five years. Today, he is submitting letters from over a dozen developers describing their interactions with ACSA staff on their projects, ACSA improvements regarding business friendliness, and, from some of them, a favorable comparison of ACSA with Campbell County Utilities Service Authority (one of ACSA's rivals for economic growth in central Virginia).

4. COVID-19

- * ACSA Water Office Staff received second shot 2/19 and are fully vaccinated.

Mr. Hopkins reported that staff in water office received 2nd dose of COVID vaccine and everyone is fully vaccinated as of February 19th.

Mr. Hopkins asked if there were any questions or comments.

Board Chair Pugh thanked Mr. Hopkins for bringing letters from different community members and developers telling the Board how he's been helpful to them. He stated it goes a long way in creating the right perception for businesses and people looking to do business here and he appreciates that. Mr. Pugh stated that this was one of the things in the past that people often harped upon. He mentioned a predecessor, Mr. French, was not well received by some and that was something we were looking to improve. Mr. Pugh stated that from what he sees here, we are certainly on our way. Mr. Pugh appreciates Mr. Hopkin's time and effort; he knows Mr. Hopkins has put a lot of time into this and they appreciate it. Mr. Hopkins thanked Mr. Pugh. He stated that we are getting there little by little. Mr. Hopkins pointed out that one maybe two of the letters compare ACSA with Campbell County and that is something the Board may want to note because ACSA comes out favorably in those comparisons. Mr. Hopkins stated that we talk all the time about how we compare to Bedford and Campbell and that is something they may want to take a look at.

VIII. New Business

A. Re-Appropriation

Executive Director Hopkins stated that he is not asking for money; he wants to take money out of the budget and put it back in the reserves. There was a mistake on his part. When Mr. Hopkins finished the budget draft for this year, he had already sent it to the Board for review in the December 1st Board Meeting Agenda. He was trying to get a jump on the January appropriations. Then, in fast order, the money from the state for customer assistance, then a FEMA grant came in, the Case Construction grant came in, all around the same time and had to be addressed right away. Mr. Hopkins apologized because he never went back to the budget and pulled that money back out. The budget was approved with the re-appropriation still in it. In January, re-appropriations were done. These items were actually appropriated twice. Mr. Hopkins asked to take \$240,000 dollars out of the budget (they are numerated on the reappropriation form). He ran this by the County Finance Director, she agreed that this was the way to do it and this should work out fine. Then Mr. Hopkins asked for this reappropriation.

Chairman Pugh asked if there were any questions for Mr. Hopkins. Board Member Perrow asked if these basically come from a capital account, and not operational funds. Mr. Hopkins replied that this is correct. Mr. Perrow then questioned if this has any effect on our operating budget going forward.

By motion of Board member Perrow and with the following vote, the ACSA Board approved the re-appropriation:

AYE: Mr. Pugh, Ms. Moore, Mr. Martin, Mr. Perrow and Mr. Woods
NAY: None
ABSENT: None
ABSTAIN: None

There was no other Board member comment.

B. 2017 Bonds/Loan Refinancing

Executive Director Hopkins received a phone call from Davenport & Co. and stated RT Taylor from Davenport & Co. will talk about this subject. Mr. Hopkins stated that about a month ago, they started working on the refinancing of our remaining 2017 bond and loan and that came out of The Virginia Resources Authority's Spring 2021 pool schedule- their publishing of that. He mentioned they were planning on presenting a resolution to refinance that money. While talking with BB&T, who owns the loan, said they would like for the refinance to be with them. BB&T would drop the refinance rate to 2.01% and waive the prepayment penalty, which would not be waived if ACSA went back to the VRA. Mr. Hopkins explained we are looking at the possibility to save about \$25,000 dollars a year for the next 17 years. Mr. Hopkins then turn discussions over to R.T. Taylor.

Mr. Taylor explained they periodically review the Authority and the County's debt profile, being the financial advisor. Early in the calendar year, they looked at potential refunding candidates for the Authority and came across the 2017 BB&T loan (BB&T is now Truist). They coordinated with Bob and Bond Council Sam Sanderson. The deadline for the Spring VRA Spring Pool was February 5th, by coordination with Bob and ACSA's bond council, Davenport & Co., took the lead in getting the materials together. They already completed a new money financing and a refunding in the Fall. The VRA had already done the heavy lifting for the credit work; they had to provide them some supplemental material since that timeframe. They were able to get that submitted by February 5th. When they submit the application to the VRA it doesn't mean ACSA is committed to going forward, it's just a way of holding their place in line. During that process Davenport & Co., were communicating and coordinating with BB&T, who ACSA did the loan with back in 2017. Mr. Taylor further stated they reached out to them to clarify what their prepayment provisions would be and as they've done many times, when they know the loan will be paid off. They've asked banks if they would like to keep this loan and would they drop their rate? BB&T tends to like to keep the loans. The old rate in 2017 was 2.89 percent. BB&T said they would like to keep the loan and drop the rate to 2.12%. We asked them to drop rate further and got a firm proposal from BB&T at 2.01%. This would not change terms of the loan, still have flexible prepayment provisions, same security language, and there's no County support on that particular loan. It's basically the same loan, they will just drop the rate and re-amortize. That's where we get the \$25,000 per year savings, which equates to \$405,000. The final maturity will still be November, 1, 2037, with a present value savings of 5.9%, almost twice the industry benchmark. Mr. Taylor doesn't have a formal document or resolution for the Board to sign, however, he will come back to the Board for the April 6th meeting. What he wants for today is to get approval to go ahead and work with the Bond Council, and Mr. Hopkins and get the numbers finalized for a resolution for approval for the April 6th Board Meeting. He wants to be able to tell the bank that the Authority Board wants to move forward.

Board Chair Pugh asked if there were any questions? Board Member Perrow stated that looking at the VRA interest rate at 1.5 where BB&T is 2.01, it would have been more savings to go with the lower interest rates. He asked if the real

difference is in the two payment penalties? Mr. Taylor explained that that was part of it. The loan is currently tied into VRA financing at this point based on how the rates flush out. There is an escrow fund tied to the 2017 bond that was for refundings in 2012. The actual call date for 2012's is November, 2022. That escrow fund is currently yielding 1.9% in interest earnings. It has to follow the new refund amount; it's called transferred proceeds, a muni a code for an IRS. If these funds are transferred proceeds, then we have to yield restrict them. So, they can't earn the 1.9% that they are designed to do to take out the old debt. They would have to be hemmed in at the VRA's rate. For example, if the VRA's rate is at 1.14%, then that escrow fund would have to be limited to that 1.4%. The Authority would have to rebate/pay a yield reduction payment to the IRS. That gets quantified. Davenport & Co., ran the rates a couple of weeks ago before the rates changed and that amount came to about \$60K. This becomes another penalty that eats into the VRA to refinancing scenario. Additionally, they've seen the muni tax exempt rates pop up 30 base points. They've updated as of the market on Friday, February 26, 2021. A VRA current market scenario is yielding roughly \$215K in total verses to \$405K that they have firm in hand from BB&T.

Mr. Perrow stated that's getting worse while BB&T is staying constant. Mr. Taylor agreed. Mr. Hopkins added that the BB&T rate is locked where as the VRA rate will not get locked for another 2.5 months (May 12, 2021). Mr. Taylor explained BB&T's rate is firm until April 20, 2021.

Mr. Perrow thanked Mr. Taylor and noted that he had never heard about the escrow that was explained. This confirms the good work that Davenport does.

Board Chair Pugh mentioned that floating interest rates scare him. He also said that tentatively, he is fine with this and the other board members agreed. Mr. Taylor will bring this up at the next Board Meeting.

By motion of Board member Martin and with the following vote, the ACSA Board Authorize the ACSA Director to proceed with a refinancing of the Amherst County Service Authority 2017 bond/loan for the purpose of Debt Service Savings by refinancing the existing bond/loan with BB&T/Truist:

AYE: Mr. Pugh, Ms. Moore, Mr. Martin, Mr. Perrow and Mr. Woods
NAY: None
ABSENT: None
ABSTAIN: None

C. Sanitary Sewer Extensions

Executive Director Hopkins explained he prepared a presentation to present at the February 25th Board of Supervisor Workshop. He ended up not presenting at this time and has been wanting to present this to the ACSA Board. He is using the three-page memo/prepared presentation that he did not present earlier.

1. Mr. Hopkins reported that the Department of Health has made two sanitary surveys of the county, especially in the Madison Heights area.

They pointed out that the aging drain fields in Madison Heights are one of the biggest public health environmental concerns in the county.

2. Mr. Hopkins has been asked by this Board on several occasions to expedite sanitary sewer extensions into the above areas, to have sewers there when the drain fields go bad.
3. Mr. Hopkins provided a chart that shows joint funding by the Service Authority and the County to date from the last five years including nothing being put away from ACSA & Amherst County due to COVID issues.
4. Last year Mr. Hopkins planned to have Lakeview Phase 1 and possibly 2 and 3 complete, which would have been an expenditure of $\frac{1}{2}$ to $\frac{3}{4}$ of a million dollars. However, because of COVID and waiting on the Department of Health grant application for stimulus money, that all got tabled. Still hoping to get that done this year.

Executive Director Hopkins directed attention to the next page for a list of all of the different projects that are in planning. He stated if we were to do all of those projects right now it would come in at just under 5 million dollars. He projected the Service Authority and County annual funding together, increasing them by inflation of 2.3 percent. If that were to continue unabated for a little over ten years or so, ACSA would have a little over 5 million dollars and we would be able to do all of these projects. If ACSA loses that funding it's not going to happen. Mr. French had taken this to the Board six or seven years ago after a study by The Health Department, Hurt & Proffitt and the Service Authority. They figured it would take 70 years to get this done. That is, to get all the areas sewered in Madison Heights that need to be sewered. Drain Fields will have long since failed by then, typically last for 30 to 40 years. The decision was made by the Board at that time that this needed to be expedited. The ACSA Board along with the Board of Supervisors, agreed that this needed to be funded jointly in order to accomplish this within 30 to 35 years.

That is why we've been working on this for the last 5 years. Especially since there are two new Board members and since Mr. Martin is fairly new, Mr. Hopkins wanted to be sure everyone knew what this was about.

Board Member Perrow stated that he was not going to weigh into this too much since this is really a decision for the Supervisors of Amherst County to decide if this is considered to be a priority funding or not. When looking at the list of projects and the amount of money, he suggested this be wrapped up in a loan package. Mr. Perrow suggested we estimate how many will connect to it now and begin generating revenue sooner rather than later. He recommended we take a look and see if it makes financial sense to try and knock it out all at once or spread it out 12 or 15 years.

Mr. Hopkins wanted everyone to understand that this is a program he inherited when he got here. He went further to explain, that they should keep in mind where we are with our debt service right now. Consider borrowing another 5 million dollars when we will be borrowing 10 to 15 million in the next few years. Mr. Perrow asked if the issue is the capacity to borrow or capacity to repay? Mr. Hopkins replied that it could be both. Right now, our budget is based on the revenues we expect to get every year. Mr. Perrow stated that this would have to

be an agreement with Amherst County to help fund this every several years and you would have to see what type of revenues you would likely get. Mr. Hopkins asked for a recommendation on how to go about this. Mr. Perrow suggests looking at a recently finished sewer extension and figuring about how many houses hooked into the sewer and to use that as a ballpark number. Mr. Hopkins mentioned West Vail Court, a project to be complete in the near future. Mr. Perrow asked if the connections were mandatory. Mr. Hopkins replied yes; when complete there will be 16 connections. Other Board Members collectively spoke up and said that this situation was different since these were apartments that are to be connected. Board Chair Pugh suggested to consider Lake view subdivision. Mr. Hopkins mentioned that Phase 1 would have been able to connect about 40 homes and Phases 2 and 3 would connect about 40 more. Mr. Hopkins doesn't think neither the Board of Supervisors or the Service Authority has the leverage to require connections. We will put the sewer there so people have the option to repair or connect. Board Member Martin said he understands but that is an expensive infrastructure to put in to give people an option; that isn't repaying us at all. Board Member Woods stated that the question is what is the average percentage of people that connect. He continued by questioning if we were to borrow 5 million dollars what type of debt service would we generate based on past projects. Also, did 20 percent of people connect? What's the average revenue/income for that household? How might that service our debt? Mr. Pugh stated we have to take into consideration the value of the homes that connect and the income of the people in the household. Do they have the ability to tap into that immediately if they have a working septic system? The other problem is with the people in the county taking on that debt. There are a lot of them that do not have water or sewer. He thinks that if you require everyone to connect you better be ready to catch a lot of heat. Mr. Hopkins states that the idea isn't to require, but to give them an option. He has been here 5 years and knows of three different times The Department of Health has contacted him and told him they've had to condemn a house because the people living there, has a drain field that had gone bad and they didn't have the money to replace or repair and there was no sewer there. We should be looking at taking care of County citizens. That's a decision of this Board and the Board of Supervisors. Mr. Perrow said that he is not advocating a mandatory connection, but as drain fields fails, then the option is there. He has seen that there is a savings by doing an aggregate project. It will have to be a partnership with the county and make financial sense and would be a good project for Rural Development. Mr. Hopkins stated that Rural Development is a very competitive grant. They rely heavily on the average household income. Ours is relatively high compared to other people that apply for these grants. That is the information he is getting from the Central Virginia Planning District Commission. Mr. Pugh recommends surveying neighborhoods to get an idea of how many people would be willing to connect. Mr. Martin added that the County has many other obligations other than sewer lines. He stated that it is his understanding is the board did not vote to cut the \$171,000; they may reduce it by \$11,000 which might still change. Mr. Pugh mentioned that a lot of developments have something called 100 percent reserve and others do not. Others like Lake view subdivision does not have the reserve. He agrees the County has a lot of other priorities and we are having trouble filling all of those now. To ask them to take on 5 million-dollar debt will be a struggle.

There were no other Board member comments.

D. ACSA Board Direction Progress – New ACSA Funding Sources

Executive Director Hopkins explained that about 3 years ago he was tasked by this Board to find new and unconventional funding sources for the work ACSA wants to do. He has never reported back to this Board. Mr. Hopkins has found about seven projects, totaling about 2 million in revenue that the Service Authority stands to benefit from, most of which have already been received. The 2019 DEQ grants money is to be used to replace the wastewater treatment plants with pump stations. This project will still be several years down the road. Most of everything else on this list we already have in house. It looks like the State Funding Assistance for the Colony road water line extension will go through and will be increased from \$100,00 to \$250,000 dollars. We are looking at about 2.1 million dollars we have found in the last 3 years that if the Board hadn't asked to go looking for, we wouldn't have found it.

There were no other Board member comments.

E. ACSA Board Direction Progress - Delegation of Duties

Mr. Hopkins explained that he has not talked about this before. He thought he would give the Board an idea of what he is delegating to various agencies or staff. Everything regarding the Service Authority staff and most of the contract consulting has never changed. One that has changed is work performed by Hurt & Proffitt that was previously delegated by the previous director and is now being done in house by Mr. Hopkins. Mr. Hopkins explained that he is saving the Authority about \$20,000 in revenue every year by doing the work in house, and his estimate for last year was almost \$24,000. He also pointed out that have been delegated to the Assistant Director since he joined us six months ago. He is getting a full plate. Mr. Hopkins also pointed out all the things that the Assistant Director will be involved in in the next year.

There were no other Board member comments.

F. ACSA Board Direction Progress – Planning ACSA's Future

Similarly, in recent topics of discussions, regarding planning of the Executive Director, Mr. Hopkins listed everything he has done in the last 5 years that have to do with planning the Authorities future. He wants to see if there are any questions on or additions the Board would like to make to this list and give any directions on where they think he should go. He said they can talk about this more in future meetings as they have time to go through it.

Chairman Pugh mentioned that there is a lot of information listed and unless anyone has any questions they will bring this back to him at a later date.

G. ACSA Cyber Security

Mr. Hopkins stated that for those who are not aware, a few weeks ago there was a hack into a water treatment plant in Florida. A Service Authority in Florida is

about the same size as ours and serves about 15,000 people. The Hacker got in to the plant through their SCADA system and began adding masses amounts of lye in the water system. This is poison if you put in too much. We've been working on cybersecurity for quite a while and we shouldn't have any issue at our water treatment plant but do have issues at the water office. A few weekends ago, Mr. Hopkins met for about 5 hours with ACSA's computer consultant doing an assessment, working on AVSA's firewall, our equipment and things to improve our cybersecurity. Mr. Hall is also working on that as part of our risk and resiliency assessment that has to be submitted to EPA in June. Mr. Hopkins mentioned that if the Board read about the Florida incident and wondered if we are at risk- we are, but we are working on it. Board Chair Pugh mentioned that cyber security is going to be an on-going problem and even those who deal with this on a daily basis get hacked quite often. Board Member Perrow mentioned that he thinks our water office would be our primary risk for identity theft. It may be worth looking at our records and any type of identifying information of customers that are held in the water office. If there is any information that ACSA does not need, like social security numbers, maybe ACSA can start purging them. Mr. Hopkins stated ACSA would take a look at that.

H. House Joint Resolution 538

Executive Director Hopkins explained that House Joint Resolution 538, essentially says that water is not just a public good but a public right. You have the right to water. This speaks that utilities do not have the right to cut people off because of not paying their bills. People that have had their water cut off for non-payment and turn it back on themselves should not be punished (this should be de-criminalized). Mr. Hopkins got very concerned when he saw it and contacted the Legal Councils for Virginia Association for Municipal Wastewater Agencies, Virginia Water and Wastewater Authorities Association and spoke with Preston Bryant who used to be a member of the General Assembly. Mr. Bryant had spoken with the author of this resolution and talked her into modifying it. The author did go back and soften it a little bit to make it more aspirational. She talked about this being the springboard or foundation for future concrete legislation to implement the things that are in the resolution. Mr. Hopkins explained this sort of stuff is scary to not only Service Authorities, but also to lending institutions and other agencies. Board Chair Pugh said that water is life. Mr. Hopkins mentioned that about a year ago, some lady called him chewing about her bill. She got angrier and angrier and said that this is God's water and he did not have the right to make her pay for it. Mr. Hopkins said he replied to her that God's water is in the James River. If she wanted to use that water, she can, but what she is paying for is the water that we pay money to purify and deliver to her. This is what she is paying for. She is not paying for water, she is paying for the chemicals, equipment and staff and everything else to get the water to her in a safe, reliable way. He stated that she hung up the phone and didn't have anything else to say. Chair Pugh asked Mr. Hopkins if this resolution had been passed? Mr. Hopkins reports that it has been passed but the author is proposing some amendments to make it more aspirational. She has change things that say shall to should. Mr. Pugh asked if it is just a resolution not binding? Mr. Hopkins replied "At this time." Mr. Pugh asked if there is there still a moratorium in place on shutting people's water off? Mr. Hopkins replied yes, through the end of this budget year (June 30) and then the

Governor will make a decision at that time on whether it will be extended. Mr. Pugh asked how do you make up for the lost funds? Does the State help with the lost revenue or do you have to just eat it? Mr. Hopkins replied that they did last year. He is hoping the State will help again. He reported at the last meeting that the current federal stimulus package has funds in there to help utilities recover from these kinds of things. He doesn't don't know if it's actually in there, but that is what he has heard.

There were no other Board member comments.

I. Miscellaneous ACSA Matters, ACSA Executive Director 2020 Performance Evaluation

Mr. Hopkins stated that they had talked last month about his performance evaluation from last year. He has packages for each Board Member, especially since we have two new Board members, to have an idea of different things that have gone on during the year. Mr. Pugh asked if this evaluation is due in May. Mr. Hopkins confirmed. Board Chairman Pugh asked if Mr. Hopkins had attached the evaluation form. Mr. Hopkins confirmed and stated the last year's evaluation is the last document in the packet for them to look at.

By motion of Board member Moore and with the following vote Board Member Moore made a recommendation for the Board to make a closed session in April to discuss between Board Members this evaluation and then again in May to present it to Mr. Hopkins.

AYE: Mr. Pugh, Ms. Moore, Mr. Martin, Mr. Perrow and Mr. Woods
NAY: None
ABSENT: None
ABSTAIN: None

Chairman Pugh said thank you to Mr. Hopkins and commented that he is definitely detail oriented.

VIII. Citizen Comment

There were no citizen comments.

IX. Matters from the Members of the Service Authority Board

Board member Woods had nothing to discuss.

Board member Perrow had nothing to discuss.

Board member Moore asked Mr. Hopkins if he had been able to connect with Mrs. Woodfin about her Water heater issue. Mr. Hopkins replied that she found out her water heater was a lot older than she thought it was and it was actually PRV on the hot water heater that went bad.

Board Vice Chair Martin had nothing to discuss.

Board Chair Pugh had nothing to discuss.


XI. Adjournment

By motion of Board Chairman Pugh and with the following vote, the Board adjourned the meeting at 2:26 p.m.

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AYE: Mr. Pugh, Ms. Moore, Mr. Martin, Mr. Perrow and Mr. Woods
NAY: None
ABSENT: None
ABSTAIN: None



David W. Pugh Jr., Board Chair

Robert A. Hopkins, PE, Board Secretary