



**AMHERST COUNTY SERVICE AUTHORITY BOARD
MEETING MINUTES**

AGENDA

August 6, 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 – June 4, 2019
- V. Special Presentation**
 - A. ACSA 2018 Financial Audit
- VI. Monthly Financial Report**
 - A. May 2019 Financial Report
 - B. June 2019 Financial Report
- VII. Old Business**
 - A. Director's Report
- VIII. New Business**
 - A. ACSA Board Notifications
 - B. New ACSA Water-Sewer Easement Deed Document
 - C. Re-organization of ACSA Board of Directors
- 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 6th day of August, 2019, at 11:00 a.m., the following members were present:

SERVICE AUTHORITY (ACSA) BOARD:

PRESENT: Kenneth M. Campbell, Board Vice Chair **ABSENT:** L. J. Ayers III, Board Chair
 David W. Pugh, Jr., Board Member Jennifer R. Moore, Board Member
 Claudia D. Tucker, Board Member

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, EA Clerk to Boards

I. Call to Order

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

II. Citizen Comment

There was no public comment.

III. Approval of Agenda

Director of Public Utilities Hopkins asked that Item VIII.B be expanded for Board approval of an easement deed for a water line extension on the new Biscuitville restaurant property in Madison Heights. It was decided there was no need to change the agenda to include this.

By motion of Director Tucker, and with the following vote, the ACSA Board approved the agenda for August 6, 2019.

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

IV. Approval of Minutes

By motion of Director Pugh, and with the following vote, the Board approved the minutes of the June 4, 2019 Board meeting.

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

V. Special Presentation

A. ACSA 2018 Financial Audit

Brown & Edwards Director Susan Chapman provided a description of the results of B&E's final audit report. She noted that B&E provided an unmodified opinion of the financial report and noted the \$571,196.50 appropriation from ACSA reserves for completion of the James River Bank Stabilization project. She also reported that ACSA revenue were relatively flat from 2017 to 2018, which was a reflection of the 2018 increase in rates being offset by the reduction in 2018 revenues from the continuing phased closure of Central Virginia Training Center, historically ACSA's largest water and sewer customer, noted by Board member Pugh.

Chapman noted that Note 10 on page 34 of the report includes only the addition to ACSA revenues from the County's contribution to the joint program for the extension of sanitary sewers into developed areas; it does not include ACSA's contribution.

This resulted in a question from Board member Tucker about the status of the question of setting up a separate fund for the contributions to the sewer extension program. County

Finance Director Wilkes reported that she is waiting for Hopkins to reply to her request for a meeting to continue discussion; Hopkins reported that the meeting can be held soon.

VI. Monthly Financial Report

A. May 2019 Financial Report

Director of Public Utilities Hopkins provided the Board with the May 2019 monthly Report regarding ACSA finances. No Board action was required.

Compared to May 2018:

1. Water

Revenues: Sales +6.8%
 Total Revenues +1.8%

Summary: Total Revenues would be 5.9% with the revenues from new service connections that ACSA reported in May 2018. The 2018 development resurgence that continued into the first quarter of 2019 has dropped significantly in the second quarter, which was confirmed by David Wall, president of Wall Construction, in a 7/26 phone conversation.

Connections: -58.2% (15 new connections so far in 2019; only 2 in 2nd quarter)
 2019 new water connections:
 23.8% of 2018 total
 70.1% of annual 5-year average
 23.1% of pre-recession average (65)

2. Wastewater

Revenues: Sales: +12.4%
 Total Revenues: +7.4%

Summary: Hopkins said Total Revenues would be 11.0% with the level of revenue from new service connections from May 2018.

Connections: -34.0% (6 new connections so far in 2019; none in 2nd quarter)
 27.3% of 2018 total
 54.5% of annual 5-year average
 40.0% of pre-recession average (15)

3. Combined Water and Wastewater

Sales: +8.0%

Revenues: +3.0%

All Revenues: +3.0%%

Summary: Hopkins said Revenues and All Revenues would be 7.0% with the level of revenue from new service connections from May 2018. The 2018 resurgence in development that continued into the first quarter of 2019 has dropped to near nothing in the second quarter. The good news is that there are several projects in design or under construction right now that will result in many new service connections by year end.

B. June 2019 Financial Report

Director of Public Utilities Hopkins provided the Board with the June 2019 monthly Report regarding ACSA finances. No Board action was required.

Compared to June 2018:

1. Water

Revenues: Sales +0.8%
 Total Revenues -3.0%

Summary: Hopkins repeated the summary for May about reduced revenues due to lack of development, and added that June saw the Central Virginia

Training Center phased closure start to effect ACSA revenues, as has been discussed for several years. CVTC is historically ACSA's largest single water-sewer customer and annually made a large prepayment in June each year, from which ACSA deducted payment for water-sewer services, in lieu of monthly bills. This artificially inflated the June financial reports. With the June 2020 closure imminent, CVTC decided against the lump sum payment, which last year was \$82,630. Instead, CVTC will pay monthly water bills. So June 2019, without the large, sudden influx of revenue, is being compared with the June 2018 report, which had that spike. Hopkins said the +0.8% figure would be +6.3% with the CVTC 2018 prepayment, and the -3.0% figure would be +0.5% with the June 2018 new service connection revenue, +1.8% with the 2018 CVTC lump sum prepayment, and +5.4% with both of them.

Connections: -127.5% (16 new connections so far in 2019; only 3 in 2nd quarter)
2019 new water connections:
25.4% of 2018 total
74.8% of annual 5-year average
24.6% of pre-recession average (65)

2. Wastewater

Revenues: Sales: -24.9%
Total Revenues: -24.8%
Summary: Hopkins reiterated the summary from June 2019 water about the drop in revenues due to the drop in development and CVTC phased closure. CVTC did not repeat the \$215,740 sewer prepayment from June 2018. Hopkins continued that the -24.9% figure would be +13.3% with the CVTC 2018 prepayment and the -24.8% figure would be -23.2% with the June 2018 new service connection revenue, +10.7% with the 2018 CVTC prepayment, and +15.5% with both of them.
Connections: -24.2% (6 new connections so far in 2019; none in 2nd quarter)
27.3% of 2018 total
54.5% of annual 5-year average
40.0% of pre-recession average (15)

3. Combined Water and Wastewater

Sales: -6.2%
Revenues: -8.8%
All Revenues: -8.7%
Summary: Hopkins said Sales would be +8.2% (a 14.4% swing) with the June 2018 CVTC prepayment and Revenues and All Revenues would be -5.7% with the level of revenue from new water and sewer service connections from May 2018, +4.2% (a 13.0% swing) with the 2018 CVTC prepayment, and +7.2% (a 15.9% swing) with both the 2018 new serve connections revenue and the 2018 CVTC prepayment.

The good news is there are projects in the works now that will result in many new service connections by year end and the CVTC revenue is not lost, but delayed, to be paid in monthly bills. Board member Pugh stressed the point that the CVTC revenue is not lost, but delayed, and the June reports from 2018 and 2019 really cannot be fairly compared.

However, Hopkins also reported that CVTC revenue is dropping. Bills from mid-2018 were averaging \$50,000 - \$60,000, according to ACSA's Water Office Manager; a year later, they are now averaging \$10,000 - \$15,000. So the CVTC phased closure is now affecting ACSA revenues.

VII. Old Business

A. Director's Report

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

1. James River Bank Stabilization

- * ACSA is Continuing to monitor new erosion areas. Nothing new on continuing temporary bank erosion repairs by ACSA crews.
- * 2007 and 2019 ACSA projects to be used as examples of proper river bank stabilization in Atlanta presentation.
- * Waiting for Corps of Engineers consideration of follow-up project to address gap in revetment between 2007 and 2018 projects. Director will report to Board later.
- * Future work possibly eligible for FEMA grant funding when Central Virginia Planning District Commission finishes hazard mitigation plan, hopefully in January. Application deadline in March. Director representing ACSA for possible future applications for more bank stabilization, reservoir primary spillway improvements, DEQ-required reservoir dam improvements, ACSA-City water systems inter-connection, etc.

2. Water and Sewer Upgrade Projects

- * Old Town Madison Heights Sanitary Sewer Rehabilitation
 - New manholes, point repairs, etc. done; sewer lining work started in June.
 - All land disturbance work is done; lining continuing. Contractor on schedule for completion before contract deadline.
- * Woodvue Dr. Water Line Replacement
 - VDOT approved ACSA plans for Rte 29 work; Biscuitville providing an ACSA water line easement
 - Director getting cost estimates for Phase 1: Rte 29 water main to west side of highway, north to Woodvue Dr., including bored casing sleeve under Rte 29
 - ACSA will perform Phase 2: water line extension across Biscuitville Woodvue Dr. frontage for new restaurant water service connection (site plans approved)
 - ACSA will perform Phase 3: water line extension to end of Woodvue Dr., install hydrant(s) for fire protection, relocate existing serves, and abandon existing line
- * Joint ACSA-County Sanitary Sewer Extensions
 - American Legion Hall area
 - * VDOT approved design approval and permit.
 - * Easement acquisition to resume; County Attorney provided easement template.
 - * Expect to start Phase 1 construction summer 2019.

3. Business Friendliness Initiative (Board-adopted priorities) – will be giving Board a monthly report

- * Priority 1a – 1d Water and sewer availability fees policy evaluation
 - No progress since last Board meeting.
- * Priority 2 Major upgrade to communications efforts:
 - No progress, other than continuing to solicit water-sewer customers' phone, email and text information for NOTIFY software use.
- * Priority 3 Clear policy regarding ACSA construction of water & sewer lines
 - No progress since last Board meeting.
- * Priority 5 ACSA Board re-organization

- Director and County Attorney revised ACSA Articles of Incorporation and Board Charter and prepared a policy for appointing ACSA Board members. See New Business.
- * Priority 6 Update ACSA Water Office building
 - No progress since last Board meeting.
- 4. Asset Management Plan
 - * Progress on written Asset Management Plan.
 - No progress since last Board meeting.
 - * Infrastructure evaluations
 - Hurt & Proffitt inspections of Ivanhoe Forest sanitary sewers done.
 - ACSA staff inspected Old Madison Sewage Pump Station for improvements.
 - * Infrastructure improvements
 - Woodvue Dr. water line replacement – see above.
 - American Legion Hall area sanitary sewer extension – see above.
 - Old Madison Sewage Pump Station upgrade – see above.
 - Reservoir primary spillway improvements – 2nd inspection dive 8/7 to start repairs and complete inspection.
 - * Central Virginia Training Center Sewer Meters
 - New meters operating as expected; CVTC and ACSA staffs satisfied.
- 5. Amherst County High School Water-Sewer Operator Apprentice Program
 - Nothing new since last Board meeting (waiting for Town program information).

VIII. New Business

A. Board Notifications

1. Water line installation for County Fair
 - * ACSA crew completed water line installation, testing, disinfection, and flushing, for an estimate “in-kind” contribution of \$1,500 to the Fair. ACSA will also make a \$1,000 cash contribution from its Marketing line item in the budget.
2. Consumer Confidence Report
 - * Mailed and on ACSA website June 26; distribution certification sent to VDH June 28.
 - * EPA/VDH considering going to bi-annual CCRs; ACSA working to get customer email addresses, for future CCRs distribution without costs and work of printing and postage.
3. ACSA Supervisor Training
 - * 10 ACSA managers and supervisors started ICMA’s 2019 Effective Supervisory Practices, a 10 webinar program to improve staff supervision.
4. Westbriar Wastewater Treatment Plant NPDES Permit Renewal Application
 - * Submitted August 2.
5. Davenport & Co. 2019 Cash ProForma Update Report
 - * Scheduled for September Board meeting
6. NRG Electric Power Demand Response Program
 - * Test water plant electrical supply shutdown and generator use completed July 23
 - * \$2,381.00 to be paid to ACSA in 2 payments, December 2019 and June 2020

7. ACSA Easement Deed Template

- * American Legion Hall project: The Rook property easement deed was presented by Hopkins, as approved by County Attorney Lockaby. Hopkins pointed out the maps in the Board meeting packet showing the additional easements required. The Rook deed was presented, with a request that it and all similar easements for this project that have not yet been prepared, be approved by the Board for execution.

By motion of Director Pugh and with the following vote, the Board approved the Rook sewer easement deed for execution, as well as all other similar deeds for this project, so long as they first are approved by the County Attorney.

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

- * Hopkins presented a water line easement deed on the new Biscuitville restaurant lot and asked for approval to execute it. He had been negotiating with the property owners to get this easement for the Woodvue Dr. water line replacement project. He just received owner agreement the previous afternoon, so there was no time to put it in the Board meeting agenda, but he cannot wait until the September meeting without the work possibly impacting the new restaurant site work and construction.

By motion of Director Pugh and with the following vote, the Board approved the Rook sewer easement deed for execution, as well as all other similar deeds for this project, so long as they first are approved by the County Attorney.

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

8. Director's Schedule to September 2019 Board meeting:

- * 7/30 – Sanitary sewer piping, manholes, and laterals inspections re-certification
8/1 training in Richmond
- * 8/2 New Biscuitville Restaurant pre-construction site meeting
- * 8/6 ACSA Board and Board of Supervisors monthly meetings
- * 8/7 County Leadership Group meeting
- * 8/13 Old Town Madison Heights CDBG projects meeting
- * 8/14 Local Utilities Directors meeting, City wastewater treatment plant
- * 8/15 County monthly staff meeting
- * 8/20 BOS monthly evening meeting
- * 8/26 BOS annual strategic planning session
- * 8/28 Central Virginia Planning District Commission watershed improvements meeting, City of Lynchburg

9. Special Presentation: Re-Organized ACSA Board (County Attorney and Director)

- * County Attorney Lockaby and Director Hopkins made a brief introduction to a revised ACSA Board of Directors Charter and a resolution for revised Articles of Incorporation to be brought to the Board of Supervisors at its afternoon meeting. Lockaby described the documents and procedure, saying they needed to be referred to the BOS for approval so a public hearing could be scheduled for the 2nd BOS meeting in August to approve. Board member Tucker asked about deferring until later, so Board members would have more time for review.
Hopkins asked Lockaby if additional could not be provided, also asking if delaying

approval for a meeting or two would be a problem, given that the Board re-organization would not actually be done until early 2020. Lockaby agreed and the Board noted that a decision on approval of the documents would be delayed, but that this should remain on future ACSA Board meeting agendas until a decision is made.

IX. Matters from the Members of the Service Authority Board

Director Tucker had no matter to discuss.

Director Pugh had no matter to discuss.

Director Campbell had no matter to discuss.

X. Adjournment

By motion of Director Pugh and with the following vote, the Board adjourned at 12:09 p.m.

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



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



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