

**AMHERST COUNTY SERVICE AUTHORITY BOARD
MEETING MINUTES**

AGENDA

October 1, 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 – September 3, 2019
- V. Monthly Financial Report**
 - A. August 2019 Financial Report
- VI. Old Business**
 - A. Director's Report
- VII. New Business**
 - A. 2020 Water and Sewer Rates and Fees Adjustments
 - B. VA Dept. of Health Annual Inspection of ACSA Water Treatment Plant
 - C. VA Resources Authority 2012A Bonds Refunding Opportunity
 - D. Appropriation – CVTC New Sanitary Sewer Meters Upgraded Software
 - E. Fluoridation of ACSA Drinking Water
 - F. Director's Schedule
- VIII. Matters from the Members of the Service Authority Board**
- IX. Adjournment**

MINUTES

At a Regular Meeting of the Amherst County Service Authority Board, held at the Amherst County Administration building on Tuesday, the 1st day of October, 2019, at 11:00 a.m., the following members were present:

SERVICE AUTHORITY (ACSA) BOARD:

PRESENT: L. J. Ayers III, Chair Kenneth M. Campbell, Vice Chair David W. Pugh, Jr., Board Member Jennifer Moore, Board Member	ABSENT: Claudia D. Tucker, Board Member
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STAFF PRESENT: Robert A. Hopkins, PE, ACSA Director of Public Utilities/Board Secretary
Glenn Micklem, ACSA Operations Manager
Michael W. S. Lockaby, Amherst County Attorney
Regina M. Rice, EA Clerk to Boards

I. Call to Order

Board Chair Ayers called the meeting to order at 11:05 a.m.

II. Citizen Comment

There was no public comment.

III. Approval of Agenda

By motion of Director Campbell, and with the following vote, the ACSA Board approved the agenda for September 3, 2019.

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

IV. Approval of Minutes

By motion of Director Pugh, and with the following vote, the Board approved the minutes of the August 6, 2019 Board meeting.

AYE:	Mr. Ayers, Mr. Pugh, and Ms. Moore
NAY:	None
ABSENT	Ms. Tucker
ABSTAIN:	Mr. Campbell absent from the September Board meeting)

V. Monthly Financial Report

A. August 2019 Financial Report

Director Hopkins provided the Board with the August 2019 monthly report of ACSA finances. No Board action was required.

Hopkins noted that recitation of the report numbers at recent Board meetings may be confusing to Board members, pointed out current numbers in the Board packet and asked for questions, and noted that the ongoing "recovery" of ACSA revenues from the 2019 decision by Central VA Training Center to discontinue its historic lump sum prepayments each June of water and sewer bills for the following year (the

2018 prepayments were \$82,630 for water and \$215,740 for sewer) had a setback, in that August 2019 water revenues were almost \$40,000 less than August 2018, and August 2019 wastewater revenues were almost \$40,000 less than July 2019.

Compared to August 2018:

1. Water

Revenues:	Sales	+0.01%
		(+2.5% in July 2019 financial report)
		(would be +4.2% with 2018 CVTC prepayment)
	Total Revenues	-2.4%
		(-0.9% in July 2019 financial report)
		(would be -0.01% with 2018 new services)
		(would be +1.2% with 2018 CVTC prepayment)
		(would be +3.5% with 2018 new services and 2018 CVTC prepayment)
Connections:	-39.5%	(-46.9% in July 2019 financial report)
	25 new connections so far in 2019; 4 in July.	
	2019 new water connections:	
	39.7% of 2018 total	
	116.8% of annual 5-year average	
	38.5% of pre-recession average (65)	

2. Wastewater

Revenues:	Sales:	-21.0%
		(-241.9% in June 2019 financial report)
		(would be +10% with 2018 CVTC prepayment)
	Total Revenues:	-19.9%
		(-20.2% in June 2019 financial report)
		(would be -19.5% with 2018 new services)
		(would be 8.8% with 2018 CVTC prepayment)
		(would be 8.8% with 2018 new services and 2018 CVTC prepayment)
Connections:	-6.7%	(10 new connections in 2019; 0 in August)
	2019 new sewer connections:	
	45.5% of 2018 total	
	90.9% of annual 5-year average	
	66.7% of pre-recession average (15)	

3. Combined Water and Wastewater

Sales:	-5.3%
	(-4.1% in June 2019 financial report)
	(would be +5.7% with 2018 CVTC prepayments)
Revenues:	-6.8%
	(-5.9% in June 2019 financial report)
	(would be -4.9% with 2018 new services)
	(would be +3.1% with 2018 CVTC prepayments)
	(would be +5.0% with 2018 new services and 2018 CVTC prepayments)

All Revenues: -6.7%

(-5.8% in June 2019 financial report)
(would be -4.9% with 2018 new services)
(would be +3.1% with 2018 CVTC prepayments)
(would be +4.9% with 2018 new services and 2018 CVTC
CVTC prepayments)

Summary: The "recovery" of ACSA revenues from percentage deficits caused by CVTC not making its annual lump sum prepayments of the next year's water and sewer bills (2018 CVTC prepayments were \$82,630 for water and \$215,740 for sewer) had a setback, in that August 2019 financial numbers were poor; water revenues were almost \$40,000 less than August 2018 and sewer revenues were almost \$40,000 less than July 2019. If consideration is given to the reasons for the poor numbers, what the numbers would be with the level of 2018 new service connections and with the 2018 CVTC prepayments, the fact that development in the County is again on the upswing, and much of the money that CVTC historically paid in an annual June lump sum will be paid monthly over the next year, there is reason for optimism. The new Biscuitville restaurant will be operational in November, a new Madison Heights laundromat and new Waffle House restaurant are getting their construction permits, the new W4 Car Wash site plans are nearing approval, and several new residences are under construction; all this means that many new water and sewer services will be in place by the end of 2019 or early 2020, bringing ACSA revenues up, and CVTC will make several monthly water and sewer bill payments, which will also enhance ACSA revenues.

VII. Old Business

A. Director's Report

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

1. James River Bank Stabilization

- * The Director continues to monitor new erosion areas on both sides of the recent remediation project by the USA Corps of Engineers. ACSA crews addressed 3 such areas earlier in 2018 and the Director is aware of another, for which he is planning remediation with the Operations Manager and Maintenance Supervisor.
- * The Director is scheduling a site meeting with Hurt & Proffitt engineers to plan a future bank stabilization project.
- * The Director arranged and attended a 9/5 stakeholders meeting of the Central Virginia Planning District Commission Hazard Mitigation Plan. Attendees included staff from the County, County School Board, VA Health Dept., VA Dept. of Forestry, and others. Completion of the Plan will make ACSA projects, including more river bank stabilization, reservoir primary spillway repairs and improvements, DEQ-mandated reservoir dam improvements, James River raw water intake, ACSA-City water systems inter-connection, and many more, eligible for Federal Emergency Management Agency hazard mitigation grant funding.

2. Water and Sewer Projects

- * Old Town Madison Heights Sanitary Sewer CDBG Grant Rehabilitation
 - Sewer rehabilitation work is done, site and pavement restoration will be done in October, and final completion, final payment, and project closeout will be done in November. Contractor has not invoiced much so far, so the final payment will be very large, but it is already in the ACSA 2019 budget, so no new appropriation will be necessary.
- * Woodvue Dr. Water Line Replacement
 - After more delays, VDOT permit for Rte 29 work issued 9/9
 - Hydrant relocation at Dollar General by George E. Jones & Sons 9/14
 - Boring of casing and water line under Rte. 29 by Grindstaff Underground 9/12 to 9/20; the Director coordinated with Biscuitville Superintendent to minimize impacts on new restaurant construction
 - ACSA crew tied new water line to ACSA water system 9/21
 - ACSA will perform Phase 2 (water line extension across Biscuitville Rte 29 and Woodvue Dr. frontages) in mid-October
 - ACSA will perform Phase 3 (extend new water line to end of Woodvue Dr., hydrant(s) for fire protection, relocate existing serves, and abandon existing old 2" water line); Director starting work to acquire easements to keep work out of VDOT public road right-of-way and preclude need for permits.
 - Late problem with Phase 1: Bore of pipes under Rte. 29 caused pavement distortion. VDOT wants immediate costly repair. Director talked VDOT into waiting until the pavement settles back down, after 50% improvement in first week after bore. VDOT agreed to wait until end of October. Bore contractor positively responded to Director contact about making repair.
- * Sanitary Sewer Extensions – American Legion Hall Area
 - Easement acquisitions were on hold for Woodvue Dr water line project, but have resumed
 - Hope to start Phase 1 construction autumn 2019.

3. Business Friendliness Initiative (Board-adopted priorities)

- * Priority 1a – 1d Water and sewer availability fees policy evaluation
 - 2020 rates and fees adjustments public hearing to be scheduled; see New Business
- * Priority 2 Major upgrade to communications efforts:
 - Nothing new since last Board meeting
- * Priority 3 Clear policy regarding ACSA construction of water & sewer lines
 - Nothing since last Board meeting.
- * Priority 5 ACSA Board re-organization
 - Discussions postponed until October 17 evening BOS meeting
- * Priority 6 Update ACSA Water Office building
 - ACSA Water Office site survey completed. Director continuing planning of building interior and exterior improvements, including drive thru window, for which Waukeshaw preliminarily approved driveway thru school site.

4. Asset Management Plan

* Written Asset Management Plan

- No progress since last Board meeting, due to other, higher priority asset management work.

* Infrastructure evaluations

- Hurt & Proffitt inspections of Ivanhoe Forest sanitary sewers done.
- ACSA staff inspected Old Madison Sewage Pump Station for improvements.
- 2nd dive inspection of reservoir primary spillway completed; awaiting report.
- With recent NASSCO re-certification, Director planning to resume manhole inspections in September.
- Director will attend one day of 2019 WaterJam to solicit information on mobile GPS equipment for sewer manhole locations.

* Infrastructure improvements

- Old Town Madison Heights sanitary sewer rehabilitation – see above
- Woodvue Dr. water line replacement – see above
- American Legion Hall area sanitary sewer extension – see above.
- Woodvue Dr. water line replacement – see above
- Great Oaks Dr. water line extension – planning joint project with developer for new Madison Heights car wash project
- Water & sewer lines relocations for VDOT Woodys Lake Rd improvements Project – 25% plans submitted to VDOT for review; review meeting 10/3. Design and construction to be paid for ACSA, reimbursed by VDOT. Director planning appurtenant work at ACSA cost to extend sewers into developed neighboring areas
- Old Madison Sewage Pump Station upgrade – ACSA planning project for Improvements; money in budget, no appropriation required
- Reservoir primary spillway improvements – ACSA planning a project for repairs and improvements; will be costly work, phased and gradual, within annual budgets; no appropriations from reserves; starting 2020.

5. Amherst County High School Water-Sewer Operator Apprentice Program

- No progress since last Board meeting, due to higher priority work.
- Director awaiting information from Town Manager on Amherst apprentice program development.
- Director reviewing information from Western Virginia Water Authority about its 3-year-old apprentice program.
- Craig Maddox, Amherst County School Board, to contact Director when draft Amherst County high school apprentice program is complete
- Director awaiting reply Virginia Rural Water Association about offer to Serve on development committee.

VIII. New Business

A. 2020 Water and Sewer Rates and Fees Adjustments

- * The Director was to present Resolution 2019-A-0002-R for adoption of proposed 2020 adjustments, but Lockaby reminded Hopkins of last year's determination that the historic procedure for adjustments was wrong and would be corrected this time. A public hearing is required for ACSA Board resolution adoption; the matter was postponed to the 10/17 BOS evening meeting.

B. VA Dept. of Health Annual Inspection of ACSA Water Treatment Plant

- Inspection performed 8/25; copy of report in Board meeting packet. Only a few minor issues reported, all of which were addressed by end of August. The third issue – fish in the settling basins – was addressed with the first repairs of the reservoir primary spillway, to re-install the screens of the water intakes.

C. VA Resources Authority 2012A Bonds Refunding Opportunity

- The Director reported on a 9/17 conference call with himself and representatives of Davenport & Co., ACSA financial consultants, and Sands-Anderson, ACSA bond consultants. The consultants reported having reviewed and discussed the refunding opportunity, concluding that ACSA should wait. Pg. 2 of their 10/1/19 memo to Hopkins included estimates of annual savings (shaded column on pg. 2) that showed a total savings of \$54,799 by the time the bonds expire 6/30/2030. However, those savings would be realized annually and gradually; it would not be until the 2030 that the savings would exceed the estimated \$50,000 cost to ACSA in 2020 to complete VRA refunding paperwork. Also, the \$54,799 is based on an estimated Present Savings of 3.72%, which is limited by recent tax law changes that required that the refund be taxable; by 11/2022, the refunding can be tax exempt, with an estimated increase in the Present Savings to 9.4% and estimated \$141,125 refunding opportunity (pg. 3). They recommend waiting until 11/2022, to which the Director agrees and figured the Board would also, and, thus, did not include a Board motion to adopt.

Hopkins noted that a Board motion to adopt would have to be made and adopted now to proceed with the refunding opportunity, so it would be submitted to VRA by the mid-October. Board Chair Ayers suggested that it would be better to wait, asked the Board if anyone wished to proceed with refunding now, and received no positive responses.

D. Appropriation – CVTC New Sanitary Sewer Meters Upgraded Software

- The Director reminded the Board of the appropriation of approx. \$38,000 from reserves earlier this year, after CVTC reimbursed ACSA for installations of 2 new meters; the CVTC payment went directly into reserves and needed to be moved back into the budget line item from which ACSA made the construction payments. After completion of the installations, CVTC requested that ACSA buy available enhanced monitoring software, which ACSA did, getting reimbursed by CVTC. ACSA needs that \$1,800 moved from reserves into the current budget, to replenish the line item for other work.

By motion of Director Pugh, and with the following vote, the ACSA Board approved the \$1,800.00 appropriation from ACSA reserves into the 2020 budget:

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

E. Fluoridation of ACSA Drinking Water

- The Director reported on receipt of, and his responses to, lengthy emails from an ACSA water customer (in Board packet), warning of the dangers of fluoridation.

F. Director's Schedule

- 9/30 BOS Strategic Planning Session, Sweetbriar College
- 10/1 ACSA Board and Board of Supervisors monthly meetings
- 10/2 County Leadership Group meeting, Monroe
- 10/3 Hurt & Proffitt projects meeting, Lynchburg
- 10/8 Old Town Madison Heights CDBG projects meeting, Water Office
- 10/9 Local utility directors meeting, Lynchburg wastewater plant
- 10/11-10/16 Vacation and holiday
- 10/17 BOS monthly evening meeting
- 10/19 County staff meeting
- 10/22 EFCN financial planning workshop, Danville
- 10/23 James River Association consortium, Buckingham
- 10/25
- 10/28 Vacation

IX. Matters from the Members of the Service Authority Board

Director Moore had no matter to discuss.

Director Pugh had no matter to discuss.

Director Campbell had no matter to discuss.

Board Chair Ayers noted for the record that Director Tucker was absent from today's meeting.

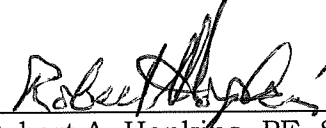
X. Adjournment

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

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



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



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