

**AMHERST COUNTY SERVICE AUTHORITY BOARD  
MEETING MINUTES**

**AGENDA**

November 1, 2022

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**
  - A. ACSA Board Meeting Agenda, November 1, 2022
- IV. Approval of Minutes**
  - A. ACSA Board Meeting Minutes, October 4, 2022
- V. Monthly Financial Report**
  - A. September 2022 ACSA Financial Report
- VI. Old Business**
  - A. Executive Director's Report
  - B. Assistant Director's Report
- VII. New Business**
  - A. Colony Road Water Main Extension – Sidewalk Restoration Construction Bids
  - B. 2022 ACSA Bad Debt Set-Off Report
  - C. Low income Household Water Assistance Program
  - D. 2021 ACSA Financial Audit
  - E. Miscellaneous Matters
- 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 1st day of November, 2022, starting at 1:30 p.m., the following members were present:

### **SERVICE AUTHORITY (ACSA) BOARD:**

|                 |                                 |                |                          |
|-----------------|---------------------------------|----------------|--------------------------|
| <b>PRESENT:</b> | Tom Martin, Board Chair         | <b>ABSENT:</b> | David Pugh, Board Member |
|                 | Turner Perrow, Board Vice Chair |                | Drew Wade, Board Member  |
|                 | Wesley Woods, Board Member      |                |                          |

### **STAFF:**

**PRESENT:** Robert A. Hopkins, PE, Executive Director/Board Secretary  
Richard Hall, Assistant Director  
Mark Popovich, Amherst County Attorney

### **I. Call to Order**

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

### **II. Citizen Comment**

Board Chair Martin opened the floor for comment by meeting attendees.

Mr. Martin closed Citizen Comment when no meeting attendee wished to speak.

### **III. Approval of Agenda**

By motion of Board Member Wesley Woods, and with the following vote, the ACSA Board voted to approve the agenda for November 1, 2022.

|                 |                                   |
|-----------------|-----------------------------------|
| <b>AYE:</b>     | Mr. Martin, Mr. Perrow, Mr. Woods |
| <b>NAY:</b>     | None                              |
| <b>ABSTAIN:</b> | None                              |

|                |                          |
|----------------|--------------------------|
| <b>ABSENT:</b> | David Pugh, Board Member |
|                | Drew Wade, Board Member  |

### **IV. Approval of Minutes**

#### **A. ACSA Board Meeting – August 2, 2022**

By motion of Mr. Perrow and with the following vote, the ACSA Board voted to approve the draft minutes for the October 04, 2022, ACSA Board meeting:

|                 |                                   |
|-----------------|-----------------------------------|
| <b>AYE:</b>     | Mr. Martin, Mr. Perrow, Mr. Woods |
| <b>NAY:</b>     | None                              |
| <b>ABSTAIN:</b> | None                              |

|                |                          |
|----------------|--------------------------|
| <b>ABSENT:</b> | David Pugh, Board Member |
|                | Drew Wade, Board Member  |

### **V. Monthly Financial Report:**



A. September, 2022 Financial Report

Mr. Hopkins compared ACSA finances for September 2022 to the prior month and year-to-date through the same period from the previous year:

1. ACSA Operations Revenues – Water

a. Revenues:

Sales (top line & boxed area of Section I.A) - \$ 20,383.09 (- 0.82%) vs. 2021  
Total revenues + \$ 84,920.81 (+ 3.06%) vs. 2021

b. Connections:

Thru September, 37 new water service connection (4 in September):

84.1% of 2021 total (44, an increase of 9 from 2020)  
100% of 5 year annual average (37.0, an increase of 8.8 from 2020)  
56.9% of pre-recession annual average (65)

Tap fees: + \$ 18,555.00 (+ 11.23%) vs. 2021

2. ACSA Operations Revenues – Wastewater

a. Revenues:

Sales (top line & boxed are of Section I.B) + \$ 35,870.45 (+ 5.78%) vs. 2021  
Total revenues + \$ 39,101.57 (+ 5.59%) vs. 2021

b. Connections:

Thru August, 10 new service connection (2 in August):

62.5% of 2021 total (16)  
92.6% of 5 year annual average (10.8)  
66.7% of pre-recession annual average (15)

Tap fees: - \$ 15,180.00 (-19.90% vs. 2021

3. ACSA Operations Revenues – Water and Wastewater

a. Sales: + \$ 15,487.36 (+ 0.50%) vs. 2021

b. Total Revenues: + \$ 145,835.38 (+ 4.14%) vs. 2021

4. Non-Operations Revenues - \$ 257,480.81 (- 87.90%) vs. 2021

5. Total ACSA Revenues - \$ 111,645.43 (- 2.92%) vs. 2021

6. Summary:

September water sales decreased slightly (\$2,075.69, 0.70%) from August and are slightly down \$20,383.09(-0.82%) year to date 2022 compared to the same period of 2021. Total water revenues thru September are \$84,920.81 (3.06%) better than the first nine months of 2021.

ACSA had 4 new water service connections in September. Tap fees to date in 2022 are \$18,555.00 (11.23%) higher than for the same period of 2021.

September wastewater sales increased \$23088.55 from August. Sales year-to-date thru August compared to the same period of 2021 are up \$35,870.45(+5.78 %). Total wastewater revenues thru September are +\$39,101.57(+5.59%) better than the first nine months of 2021.

There were 0 new wastewater service connections in September, so tap fees to date in 2022 remain down 15,180.00 (19.90%) compared to than the first nine months of 2021.

Combined year-to-date water and wastewater sales thru September are up \$15,487.36 (0.50%) from the same period in 2021. Total operational revenues thru September are up \$145,835.38 (4.14%) compared to thru September 2021. Non-operational revenues are down \$257,480.81 (-87.9%) from 2021, resulting in total ACSA revenues thru September 2022 being down \$111,645.43 (2.92%) from the same period in 2021.

ACSA received \$485.15 in September from the State Debt Setoff Program to defray unpaid and uncollectable utility account balances, bringing the total so far for 2022 to \$15,824.96; see section VII.B of the agenda.

A comparison of the number of active service connections 5 years ago (August September 2017) and now results in the following table:

|                                      | <u>2017</u> | <u>2022</u> | <u>Change</u> |
|--------------------------------------|-------------|-------------|---------------|
| No. of business water connections    | 422         | 422         | 0             |
| No. of residential water connections | 5,601       | 6,013       | +412          |
| No. of total water connections       | 6,023       | 6,435       | +412 **       |
| No. of business sewer connections    | 199         | 204         | +5            |
| No. of residential sewer connections | 820         | 915         | +95           |
| No. of total sewer connections       | 1,019       | 1,119       | +100 ***      |

\*\* An average annual increase of 82.4 connections.

\*\*\* An average annual increase of 20.0 connections.

Mr. Hopkins reminded ACSA Board members of the Amherst County Board of Supervisors and Amherst County Service Authority joint Board meeting to be held November 15, 2022 at 7:00 pm., for the Availability Fees Resolution. Hopkins will send an email reminder to the Board members absent for this meeting.

There were no other Board member comments.

## **V. Old Business:**

### **A. Executive Director's Report**

***Updates since the last Board meeting are in bold italics.***

#### **1. James River Bank Stabilization Project**

- No change to the severity of the problem.
- The U. S. Army Corps of Engineers permit for the bank stabilization project has been issued.
- Hopkins was notified by Senator Warner's staff in early August that the requested \$2M project funding in Congressionally Directed Spending is included in the draft U. S. 2023 Fiscal Year Budget and is expected to be in the approved budget and be available in July 2023. Hopkins has asked if project construction can proceed before July 2023 and still be reimbursed with the CDS funding and is waiting for an answer.
- Unless erosion accelerates, Hopkins plans to delay construction – with the possible exception of placing the rockslide boulders in the river – until the CDS funding is available.
- The VA Marine Resources Commission permit was issued 9/27. Hopkins made a 7 hour roundtrip to Ft. Monroe to attend the meeting, show ACSA interest, answer questions, and prevent any threat to the \$2M CDS funding. All permits are now



issued; work can proceed when desired.

2. Water and Sewer Rehabilitation/Extension/Replacement & Other Infrastructure Projects

- Woodvue Dr. Water Main Replacement

\* Hopkins is working on easement acquisitions for a 2022 project by ACSA staff. This work may be delayed until 2023 due to other main extension projects with higher priority (Colony Rd., Ned Brown Rd., Monacan Indian Nation developments on Dixie Airport Rd.).

- Joint ACSA-County sanitary sewer extension program, Lakeview Dr.

\* Hopkins obtained preliminary approval for an easement across another property in September. If the two property owners who preliminary OK'd easements proceed to execute the deeds, ACSA needs only one more easement to be able to proceed with the project.

Mr. Hopkins provided an update for obtaining required easements required to proceed with the project, which is requested by the Board to be a top priority. 1) Mr. Burford plans to sign an easement at the Water Office on Friday, November 4, 2022. 2) Mr. Shelton is o.k. with signing an easement, and needs to check with his sibling. Mr. Shelton plans to place the property on the market soon. Mr. Hopkins expects to be in touch with him by the end of the week. 3) Nate Young, Amherst County Building Official, that also serves on the Amherst Co. Dixie Youth Softball Board, plans to have their Board sign an easement. Mr. Hopkins has not been successful "tying" them down to do it.

- Sewage Lift/Pump Station Upgrades

\* 4 new sewage pumps, 2 each for Lighthouse and Abbitts pump stations, and repair of a Lanum water plant raw water pump and portable, trailer-mounted sewage pump will be done in 2022.

\* ACSA is finishing review of Hurt & Proffitt plans to update controls and equipment at Abbitts, Reichard Rd. and Lighthouse pump stations for bid and completion in 2023.

\* **Repairs are being done and billing made to the driver's insurance company for damages to Reichard Road pump station in September (See Assistant Director's Report).** An overhead power cable crossing Wright Shop Road was snagged by a passing trailer carrying a mobile home, breaking the APCO utility pole and damaging pump station controls.

- VC Mobile Home Park:

\* The first reimbursement request from the \$250,000 State funding, for \$11,710.00 for design and construction drawings, was received in June. The second request, for \$41,196.87 in materials, was paid in two parts in August. The third, for \$39,481.70 in materials, was submitted in early September. To date, \$92,388.57 of the \$250,000 General Assembly appropriation was invoiced. **A fourth reimbursement request will be submitted, probably in November, upon completion of the design for the added water main installation scope of work (see below).** Hopkins plans to invoice DCR for reimbursement from the State funding for all materials and outside services, then request the remaining balance for ACSA labor and equipment for the installation.

\* **The original 1250' water main installation scope of work was completed in early October.**



- \* Excavation of the existing CVTC water main at the planned connection point found the pipe to be 6", not 8" as shown on the plans. To prevent a 6" pipe bottleneck, the water main should be extended approx.. 300'. **Survey and preliminary design are done and CVTC is looking at granting the necessary easement.** All additional materials and services will be paid for by the \$250,000 General Assembly appropriation to ACSA. **Materials received; if CVTC grants the easement quickly, completion of the project is expected in November except for new sidewalk.**
- \* **Replacement sidewalk construction bidding is complete; see Section VII.A for the bid tabulation and recommendation for ACSA Board consideration of construction contract authorization.**

- RiverEdge Park:

- \* Hopkins spoke to City Water Resourced Dept. Manager Tim Mitchell about shutting down the City water supply later in 2022, when the Colony Rd. water main installation is complete, and installing a valve on the City water supply pipe to Central VA Training Center just past River Edge Park service connection, so the City can continue to supply the Park and a few other services on Rocky Hill Rd. near John Lynch Bridge, and ACSA will begin supply VC Mobile Home Park and CVTC Lower Rapidan with water. Hopkins and Mitchell will continue to discuss.
- Graham Creek Reservoir Dam Improvements Project:
  - \* Construction began in late April. **Aerial photos comparing monthly progress from the end of August to the end of October are attached.**
  - \* **Work continues on the property across from Graham from the end of the spillway for the stone revetment of the creek bank.**
  - \* ACSA received the \$250,000 DCR grant for construction, but not the \$42,900 for construction administration, due to a \$250,000 limit on total DCR grants received. Hopkins signed the VA Resources Authority paperwork and is waiting for the final executed documents to be sent.
  - \* **DCR informed Hopkins in mid-October that the \$2,250 grant reimbursement for the revised Emergency Action Plan and the 10/6/2021 tabletop exercise should be sent to ACSA soon.**

Mr. Hopkins referred to the aerial progress photos of the reservoir. The bed/invert of the channel is scheduled to be complete by mid-December, 2022. The entire project is scheduled to be complete by the end of March, 2023.

- Berkshire Place Sanitary Sewer Extension:

- \* Hopkins is working on two alternatives to extend the existing sewer to the east side of the cul-de-sac and will contact neighboring property owners about acquiring the necessary easements.
- \* Hurt & Proffitt has provided a proposal for engineering services for design and construction of the sewer extension and Hopkins has requested a proposal from a directional bore contractor for the installation across and beneath Berkshire Place.

- West Vail Court Sanitary Sewer Extension:

- \* Hopkins is working on acquiring the necessary easement from the adjacent property owner.
- \* Bidding/construction will proceed after approval by the County and completion of the easement acquisition from the adjacent property owner.

- Amherst County Gateway (River Road) Sanitary Sewer Extension



- \* Hurt & Proffitt completed preliminary field survey and geotechnical (rock search) work. Sewer installation above the rock is possible, and rock depth at the low point between the road and river is 13'. Two wet wells can be installed there and controls, power, etc. on higher ground north of the road to keep them out of the floodplain.
- \* Hopkins met the property owner on the preferred location (low point) on the north side of River Rd for the pump station. The owners may be willing to sell a portion of the land.
- \* An updated cost estimate was presented by Hopkins at the 9/20/2022 Supervisors meeting, resulting in a request that he expand the scope of work to include replacement of the entire sewage force main to accommodate ultimate development buildout of the area and bring another cost estimate update to the Supervisors at their 10/4 meeting. ***That additional cost is estimated to be \$1.5M for a 1.25 mile long 8" forced main replacement, raising the total project estimated cost to \$4.5M. However, Hopkins is concerned the operation of the larger forced main with the initial pump equipment and wastewater flows and the design engineer agrees; the new system will not operate properly, possibly resulting in shortened service life of pumps and equipment, and a recommendation is made not to replace the force main initially.***
- Ned Brown Road Water Main Extensions
  - \* After months of delays, the developer is nearly ready for ACSA to install 750' of 6" water main pipe in October for 8 new home services.
  - \* ***Hopkins received the engineer's preliminary drawing for the extension 10/26 and reviewed it 10/27 for submittal by the engineer to VDOT and Amherst County for approval.***
- Monacan Indian Nation Projects Water Main and Sanitary Sewer Extensions
  - \* Hopkins' proposed solution to address excessive existing water main depth, making it impossible for ACSA to connect, was accepted by MIN and engineers for both developments. Connection was made in late August.
  - \* ***ACSA proposed design changes to eliminate installation conflicts regarding ACSA water main extension and new storm sewer along Dixie Airport Rd. were accepted by engineer and MIN.***
  - \* ***Project meeting 9/28 cleared confusion; ACSA should finish water main extension and at least start sanitary sewer installation with ACSA construction crew in November.***
  - \* ***ACSA is working closely with the contract and MIN seems happy with ACSA performance.***
- Amherst Senior Center
  - \* Hopkins is working with developer Terry Morcom on a possible sanitary sewer extension from the ACSA project to install new sanitary sewer facilities on River Road (if and when it is completed).
  - \* Hopkins sent a very preliminary, pre-design cost estimate for the Morcom extension project this cost estimate to the County Supervisors 2/13.
  - \* ***The scope of work for the Gateway Sanitary Sewer Extension project was expanded again by the Supervisors at their 9/20 meeting (see above) to include replacement of the entire existing sewage force main in the initial construction (see above).***
- Seminole Plaza Shopping Center – 2022 Sanitary Sewer Overflow Complaints



- \* At its 9/20 re-scheduled meeting (Hopkins was unable to attend), the ACSA Board requested additional information regarding possible legal action. Hopkins informed the Board that this is a private sewer system on private property and none of the issues to date have been specifically detrimental to ACSA, all of which presumably would make ACSA ineligible to sue due to lack of legal standing; County Attorney Popovich agreed; the Board dropped the issue.**

Mr. Hopkins informed the other Board members that Mr. Martin signed a letter requesting enforcement action by the appropriate state agency. A draft of this letter was presented as a follow-up to a previous request by the ACSA Board.

3. EDA Business Friendliness Initiative

- Priority 1a Complete evaluation of water and sewer availability fees
  - \* The ACSA budget year is changing from calendar (January to December) to fiscal July to June) in July, 2023, requiring only a truncated six month budget in early 2023. Adjustments to rates and fees will be implemented with the full 2023 – 2024 budget cycle, so the annual benchmarking of rates and fees will be completed late 2022-early 2023, with the financial consultants presentation of recommended rates and fees adjustments planned for April 2023.**
- Priority 2 Major upgrade to communications efforts
  - \* ACSA staff efforts to switch from postal utility billing is proceeding with very few problems and complaints. Estimates savings are \$400 per month on postage and at least that much in staff time preparing and mailing bills.**
- Priority 3 Policy regarding ACSA extensions of public utility lines
  - \* Hopkins is working on preliminary estimated project costs for planned water main extensions described at the June ACSA Board meeting.
  - \* Hopkins is working on preliminary estimated project costs for planned water main extensions described at the August ACSA Board meeting.
- Priority 4 Strategic plan for development and services initiatives
  - \* See Priority 3.
- Priority 6 ACSA Water Office improvements
  - \* Hopkins and Hall are working with State officials on a possible lease of and Water Office relocation to Building 10 of the Lower Rapidan area of Central Virginia Training Center.

4. COVID-19

- Low Income Household Water Assistance Program
  - \* A preliminary launch of the program occurred in October, with continuing problems delaying the ultimate launch until a later date, but utilities can enroll in the program; see Section VII.C.**
  - \* A draft Vendor Agreement was received, reviewed by Hopkins and the County Attorney, and included in Section VII.C for ACSA Board consideration of program participation. Hopkins is concerned about program development, implementation, and potential adverse impacts on ACSA and no longer recommends ACSA participation.**



5. Regulatory Updates

- Perfluoralkyl and Polyfluoralkyl Substances (PFAs)

**\* In June, ACSA accepted proactive testing of ACSA water sources by Southeast Rural Community Assistance Program at no cost. The work has been delayed by delays in SERCAP getting the test kits, but ACSA is expected the work to be done and results provided soon.**

6. Town Wastewater Services in Poplar Grove

- The ACSA Board authorized Town reading of ACSA water meters in Poplar Grove for sewer billing. Hopkins suggested ACSA add the wastewater services to ACSA water customer accounts, ACSA bill for water and wastewater services, then send the sewer money to the Town, and the Town pay for ACSA sewer billing administration. Hopkins and McGuffin agreed this would be better, but would require a formal ACSA-Town agreement. Hopkins asked County Attorney Lockaby to research such an agreement for later.

At the conclusion of the Executive Director's report, Mr. Perrow requested an update concerning the procurement of an ACSA Master Plan. Mr. Hopkins informed the Board that he has requested and received a copy of a 2017 Request for Proposal (RFP) for a master plan from the Town of Altavista. This was provided by Mr. Tom Fore. In addition Mr. Hopkins has copies of RFP's dated 2021 and 2022. This project is a work-in-progress.

There were no other Board Member comments concerning the Executive Director's report.









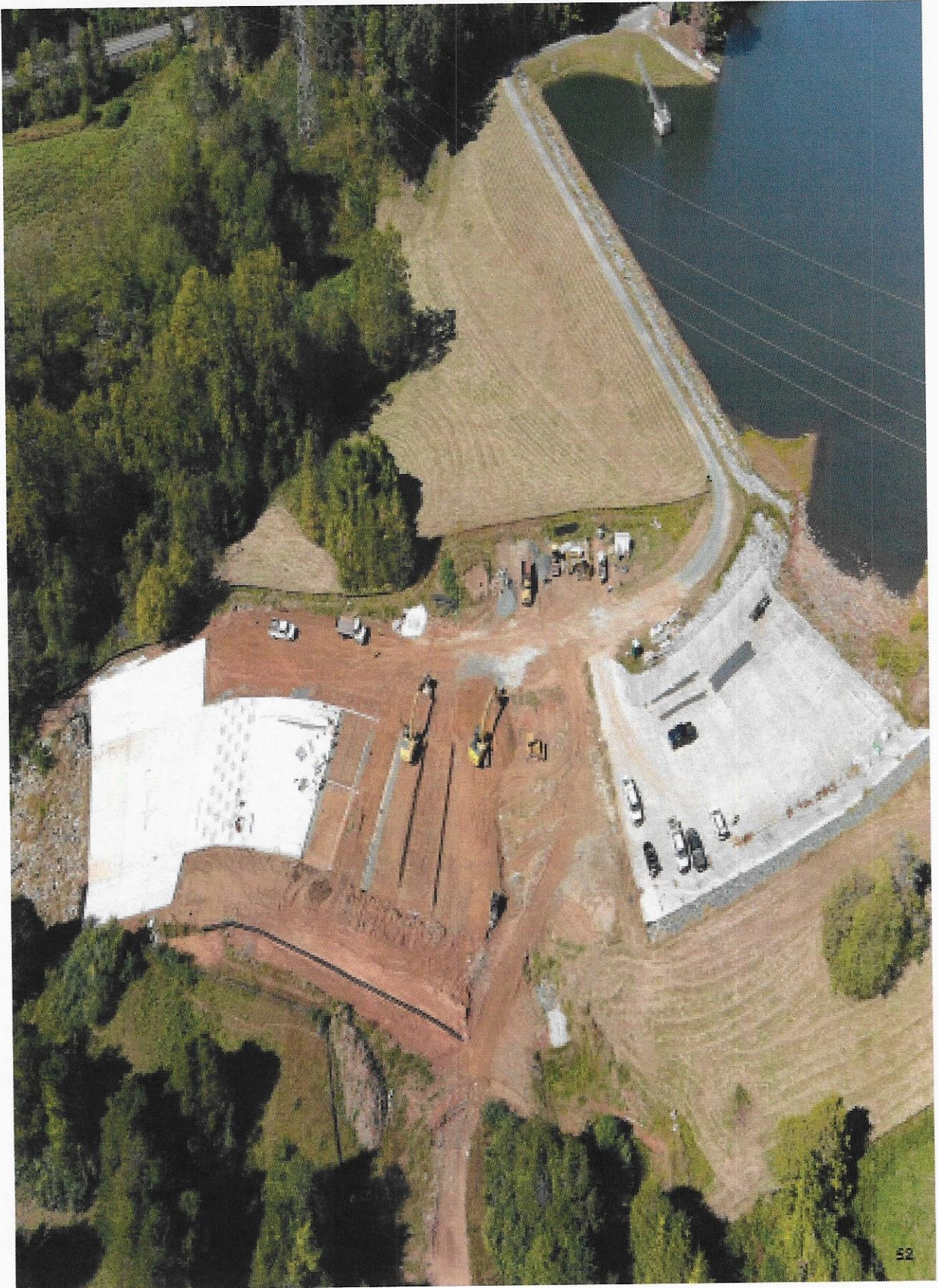




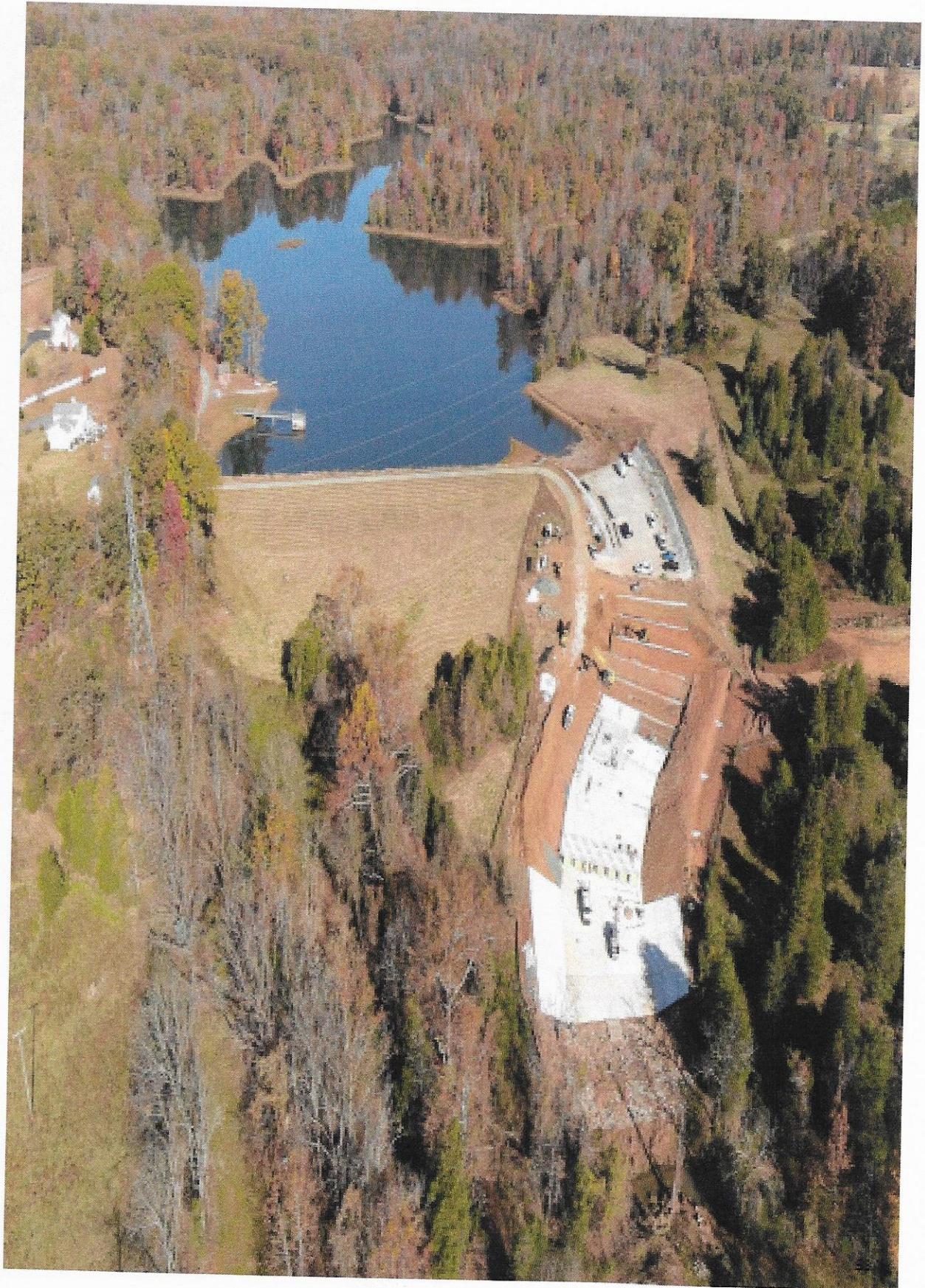


















B. Assistant Director's Report

***Updates since the last Board meeting are in bold italics.***

1. Electronic Utility Billing

- ACSA has a long-standing practice of physically mailing "post card" utility bills. To promote greater efficiency, ACSA's Water Office is encouraging electronic billing.
- Currently, 2773 ACSA customers are participating.
- Goals:
  1. Overcome inconsistencies in postal service operations, i.e., bills sent to wrong addresses, bills returned marked "return to sender," when there is no change in address, resulting in double postage, etc.
  2. Reduce customer late fees.
  3. Reduce disconnects.
  4. Reduce penalties associated with disconnects.
  5. Reduce postal costs. ACSA's Office Manager reports postal costs for last month were reduced by nearly ½!
- Barriers:
  1. Some customers will likely never have the means nor the desire to change from the traditional way of receiving a post card bill in the mail!
- ***Initial steps taken to ensure all account holders receive their bill:***
  1. ***An electronic bill is generated and sent to customer's email address listed in their account record.***
  2. ***ACSA monitors payment activities. For those electronically billed emailed accounts whose payment status becomes late, a printed, hard copy bill is mailed to the account holder, and the option to opt out of paperless billing is offered. (no penalties applied for the first cycle of electronic billings)***
  3. ***For accounts that continue non-payment status, a disconnect notice is mailed.***
- ***ACSA's Office Manager continues updating customer lists, sending electronic reminders to ACSA customers with an email address on file, of ACSA's desire to go paperless billing.***

Mr. Hall reiterated the success of ACSA's efforts for paperless billings. Mr. Martin commented that there have been a couple of bumps in the road to which Mr. Hall mentioned yes, but overall, there have not been many.

2. Non-Revenue Water.

- Capturing data for reporting non-revenue water is a work-in-progress. Data comes from Water Operators, Utility Crew Leaders, Meter Readers, Accounting Clerks, Encode (Utility Billing Software) and Amherst Public Safety.

Mr. Perrow mentioned we have stepped over reporting of non-revenue water. He clarified his intent for requesting this information, describing non-revenue water and how to perform calculations. Mr. Hall will follow up with Mr. Hopkins for a future report.

3. EPA's Lead and Copper Rule Revisions (LCRR)

- LCRR's regulatory compliance deadline is October 16, 2024. (Verbally learned from training) Virginia adopted the 1986 Safe Drinking Water Act Lead Ban with a 2-year



- grace period. All construction after 1988 is hopefully constructed with the absence of lead.
- ACSA is in the process of compiling community records by date of construction for every account. This may be an approved tool to prioritize areas of our Community Water System that may likely to have lead service lines. More information is forthcoming. Compilations are grouped according to ACSA's established 24 residential books and 2 commercial books.
- Research concludes approximately 74% of ACSA's residential accounts connect to structures constructed prior to 1989.
- Research concludes approximately 77% of ACSA's commercial accounts connect to structures constructed prior to 1989.
- ACSA Assistant Director Hall participated in a Webinar provided by VA Department of Health (DOH) / Office of Drinking Water (ODW) on 10/13/2022. Additional inventory guidance/requirements were provided. Listed is a few major training points:
  - **ODW will provide a template to be completed and submitted at completion**
  - **Water System service piping and private (customer owned) service line must be classified as 1) lead, 2) galvanized requiring replacement (galvanized service lines that are or ever were downstream from a lead service line or lead gooseneck can adsorb and contribute to lead in drinking water and must be replaced)., 3) non-lead, or 4) lead status unknown. In addition to occupied working connections, includes fire service lines, abandoned and or vacant buildings with connections turned off.**
  - **Visual identification methods include: view of meter setter connection to private service line, excavation of service line, inside home point of entry inspection, closed-circuit television (CCTV), magnet test, scratch test, etc.**
- **ACSA Assistant Director Hall invited a third-party vendor to view the DOH/ODW webinar on 10/13, to follow-up with a scope of services and cost proposal. Proposal submitted is in the ballpark of \$28K. Does not include: any physical site work or test kits to be sent to unknown inventoried lines (\$26 to \$30 each) All work is remote and accomplished from information fed by ACSA.**

Mr. Hall presented information concerning EPA's Lead Copper Rule Revisions as public awareness for future efforts that will be taken to complete this mandatory task. Mr. Hall attended a recent webinar on October 13, 2022, sponsored and presented by the Virginia Department of Health, Office of Drinking Water, that provided clarifications of Virginia's interpretation of this rule. Mr. Hall is concerned about completing this task on time, with ACSA's in-house resources. The mention of funding that may be available by way of grants may not be available to all community water systems. Mr. Martin requested further clarifications: Does the required inventory of service lines to determine if lead materials are present, include the Authority's system piping up to the meter and beyond the meter to the home and what's in the home? Mr. Hall informed that this inventory only identifies the type service water piping that feeds a home, not interior home piping infrastructure, although it is recommended that records of this be kept. Mr. Martin asked what steps are to be taken following a discovery of lead materials in the service line inventory. Mr. Hall informed that the homeowner is required to be informed that lead is present, and a lead filter pitcher provided within a required timeline, and the service line will have to be replaced by the Authority. Mr. Hopkins mentioned that he was not aware of this recent change requiring replacement of the line by the Authority. Mr. Martin requested for Mr. Hopkins to verify this change and



questions why the Service Authority would be responsible to replace a private water service line. Mr. Martin also requested that ACSA follow-up with other Service Authorities for their steps in achieving this mandatory requirement. Mr. Perrow asked if service line type verification could be achieved by visual inspection inside the meter box while meters are being routinely read? Mr. Hall explained this method is being used during a meter replacement project by a neighboring facility, during which, their meter boxes will have to be removed, exposing piping. However, this does not verify connections beyond the meter whip provided by the Authority for a private connection. The Office of Drinking Water is looking for a compilation of records to determine the presence of lead (community service records, construction as built, visual verification of piping entering a home, visual inspections from pot-holing, etc.) ACSA plans to concentrate on identifying its piping infrastructure feeding each service, before placing effort to identify private piping. Mr. Perrow recommends ACSA concentrate on the knowns to start with. There are still unknowns to be clarified concerning this mandate. Mr. Hall further explained ACSA invited a third party vendor, stationed out of state, to sit in on the webinar and provide a proposal to assist in achieving this mandated rule. The vendor would be compiling data in a report, and submitting to the Office of Drinking Water, on behalf of ACSA, using information forwarded from ACSA. It hasn't been determined this approach is beneficial, considering the costs. Mr. Martin requested the Board receive continuous updates concerning this project. Mr. Hopkins added he has recommended the Aqua Law group initiate a law suit to address EPA overstepping its authority, requiring work involving private property.

4. Reichard Road Sewer Pump Station

- August 23, 2022, at approximately 9:40 am, a mobile home was being transported on Wright Shop Rd., when the overhead power line feeding ACSA's Reichard Drive Sewer Lift Station No. 2 was snagged. The incident caused an AEP power pole to be completely broken. Tension of the overhead power line feeding the pump station's power pole, caused ACSA's meter service can to be completely dislodged from the power pole, feeder conductors to be torn from the pump control cabinet, and subsequent damage to pump controls.
- **Total ACSA cost of damages for this incident is: \$5,906.22. This information was submitted to Cincinnati Insurance Company's Claims Rep. on October 21, 2022 for reimbursement.**

5. Recent additional delegated tasks for the Assistant Director:

- **ACSA Board Meeting Minutes (since May, 2022).**
- **Office Administration of EPA's Fifth Unregulated Contaminate Monitoring Rule (UCMR 5) Regulatory Determinations - Every five years, EPA requires samples be collected and tested for not fewer than five contaminants included on the contaminant candidate list and make determinations on whether to regulate such contaminants under the SDWA (Safe Drinking Water Act).**
- Work directly with Board member, Mr. Perrow, to gain experience in the process of setting ACSA policy as well as working directly with a Board member. This assignment stems from recent Board approval to adjust ACSA's availability fees assessment policy. County Code, currently lists ACSA's historic method of assessing fees per estimated average daily water usage. The Board approved the idea of accessing availability fees per meter sizes. **Following Board approval/directives, a County Attorney review of draft language was complete, a public notice was published in the local paper October 20, 2022, (will be published again on the 27<sup>th</sup>), a public notice was posted on ACSA's website (beginning October 19, 2022), and draft ordinance sent to Amherst Co. administration for their use (October 24, 2022), First**



- ***Reading to take place at November 1, 2022 Amherst Co. Board of Supervisor's meeting.***

**VII. New Business**

**A. Colony Road Water Main Extension, Sidewalk Restoration Construction Bids**

**Topic Discussions:**

Construction Bids were taken Thursday, 10/20; four acceptable bids were received and opened. The bid tabulation and engineer's recommendation are attached. The recommendation is that the bid from Concrete Foundations for the amount of \$81,765.00 be accepted and the contract awarded and executed. This is \$24,365 more than the engineer's cost estimate and \$17,765 more than the ACSA Executive Director's cost estimate, but it is the low bid, construction costs have risen significantly since the estimates were prepared, and work is funded by the General Assembly's \$250,000 appropriation for the water main extension project. To date, three reimbursement requests totaling \$92,388.57 have been submitted to the State for payment, so the State funding is sufficient to pay for the sidewalk reconstruction and still leave \$75,846.43 for the remainder of the work, including the scope expansion to add approximately 300' of additional water main.

Mr. Hopkins informed that the initial main water line extension work is complete. It was determined the best installation of this piping is underneath the sidewalk. The restoration of this side walk was bid; Mr. Hopkins is asking for Board approval to award this work to the lowest bidder and proceed with the work. There is money in the budget to cover this work.

By motion of Board Chair Tom Martin, and with the following vote, the ACSA Board voted to accept and authorize the ACSA Executive Director to sign and implement the low bid construction contract for Colony Road sidewalk reconstruction.

|          |                                   |
|----------|-----------------------------------|
| AYE:     | Mr. Martin, Mr. Perrow, Mr. Woods |
| NAY:     | None                              |
| ABSTAIN: | None                              |

|         |                          |
|---------|--------------------------|
| ABSENT: | David Pugh, Board Member |
|         | Drew Wade, Board Member  |





October 24, 2022

Mr. Robert Hopkins, PE  
Executive Director  
Amherst County Service Authority  
113 Phelps Road  
Madison Heights, VA 24572  
Sent via email to [rhopkins@acsava.com](mailto:rhopkins@acsava.com)

Re: Phase I Colony Road Water Line Improvements Sidewalk Replacement  
Bid Recommendation  
H&P Project #: 20200799

Dear Mr. Hopkins:

Hurt and Proffitt prepared bid documents for the Phase I Colony Road Water Line Improvements Sidewalk Replacement project and the project bid documents were advertised on September 18, 2022. A mandatory pre-bid meeting was held on September 19, 2022. A bid opening was held at the Service Authority office on October 20, 2022 and four bids were received, opened, and read aloud. A bid tabulation is attached and summarized below:

| Contractor           | Base Bid     | Responsive |
|----------------------|--------------|------------|
| Engineer Estimate    | \$57,400.00  | N/A        |
| Concrete Foundations | \$81,765.00  | Yes        |
| Counts and Dobyns    | \$96,833.00  | Yes        |
| Pearson Construction | \$91,753.00  | Yes        |
| VA Civil Concrete    | \$130,185.00 | Yes        |

We have reviewed bids, the lowest bidder information, and recommend that Amherst County Service Authority accept the Concrete Foundations bid of \$81,765.00 if you concur with this recommendation, we will prepare the Notice of Award and contract documents for signature. If you have any questions, please do not hesitate to contact me.

Sincerely,  
HURT & PROFFITT, INC.

A handwritten signature in blue ink, appearing to read 'Mike Wilson'.

Mike Wilson, PE  
Director of Municipal/Government Engineering

Encl.

ENGINEERING • SURVEYING • GEOTECHNICAL • ENVIRONMENTAL • GIS

2324 LANGHORNE ROAD  
LYNCHBURG, VA 24501  
800-242-4900 TOLL FREE  
434-847-7796 M/F/H  
434-847-0047 FAX  
[www.HurtP.com](http://www.HurtP.com)



**Hurt & Proffitt, Inc.**  
2524 Langhorne Road  
Lynchburg, Virginia 24501

**Project Name:**

**Bid Opening Date:**  
**Location:**

**Bids Opened/Read by:**

**Phase I Colony Road Water Line  
Improvements - Sidewalk Replacement**

**10/20/22 2:00:00 PM**  
**Amherst County Service Authority**

Mike Wilson, PE

| Mandatory Prebid Attendees<br>Bidder/Plan Holder | Bid Bond 5% | Acknowledged<br>Addendum<br>#1 | Signed<br>Bid | Base Bid Amount |
|--------------------------------------------------|-------------|--------------------------------|---------------|-----------------|
| Engineer Estimate                                |             |                                |               | \$57,400.00     |
|                                                  |             |                                |               |                 |
| 1. Concrete Foundations                          | X           | X                              | X             | \$81,765.00     |
| 2. Core & Main                                   | N/A         | N/A                            | N/A           | N/A             |
| 3. Counts and Dohyrs                             | X           | X                              | X             | \$96,833.00     |
| 4. Pearson Construction                          | X           | X                              | X             | \$91,753.00     |
| 5. VA Civil Concrete                             | X           | X                              | X             | \$130,185.00    |
|                                                  |             |                                |               |                 |



B. 2022 ACSA Bad Debt Set-Off Report

Topic Discussions:

Agenda Item Attachment – VII.B Bad Debt Set-Off 2022

1. Agenda Item Attachment – VII.B Bad Debt Set-Refunds

Mr. Hopkins shared information concerning bad debt that is carried for three years by ACSA before writing them off.

There was no Board comment concerning this report; no Board action is required.





**AMHERST COUNTY SERVICE AUTHORITY**

P. O. BOX 100  
MADISON HEIGHTS, VA 24572-0100

PHONE (434) 845-1605  
FAX (434) 845-1613

November 1, 2022

To: Amherst County Service Authority Board

RE: Adjusting Off Bad Debts

Dear Board Members:

ACSA carries bad debts from unpaid sewer and/or water bills for three years before writing them off. This gives staff time of continue trying to collect unpaid payments from customers who have moved, had their service terminated, etc. At the end of each year, bad debts from the third year previous are written off and sent to Virginia Set-Off Debt Program (SOD). The SOD Program monitors tax returns and other financial records of debtors reported to the SOD Program, determining available resources, such as tax refunds, that can be used to pay existing debts, and deducts from such available resources money that is then sent to creditors. ACSA Executive Director Hopkins reported to the ACSA Board in 2021 four SOD Program payments to ACSA total \$1,703.54.

The 2022 adjustment is \$22,041.37, which is 0.37% of the adopted 2022 budget.

|                          |             |       |
|--------------------------|-------------|-------|
| 2018, for 2015 bad debts | \$23,940.13 | 0.52% |
| 2019, for 2016 bad debts | \$32,939.13 | 0.69% |
| 2020, for 2017 bad debts | \$34,468.48 | 0.70% |
| 2021, for 2018 bad debts | \$25,059.73 | 0.42% |

The 2021 write-off is from 2018, prior to the onset of COVID-19, so the reduction from the prior two years is not attributable to financial assistance ACSA has received from the State to address customer account arrearages arising from the pandemic. It is hoped that changes in ACSA policy implemented in late 2017 are at least substantially responsible for the reduction in 2021 and the 2022 figures will repeat and improve in future years.

Sincerely,  
AMHERST COUNTY SERVICE AUTHORITY

Frances Ford  
Senior Accounting Clerk



Printed on 100% Post Consumer Recycled Paper



**Robert Hopkins**

---

**From:** sharhaynes@acsava.com  
**Sent:** Wednesday, October 19, 2022 11:20 AM  
**To:** 'Robert Hopkins'  
**Subject:** State Refund Money to offset Adjusted Off Accounts  
**Attachments:** STATE TAX MONEY.pdf  
**Importance:** High

Bob,

Attached is the printout of the STATE REFUND money we have received from closed accounts – people who leave and owe us a balance. The state pulls the money from their state tax refund and this year TAX REBATE.

As of this month we have received **\$15,824.96**.

Let me know if you have any questions.

Sharlene Haynes  
*Office Manager*  
AMHERST COUNTY SERVICE AUTHORITY  
P. O. Box 100  
Madison Heights, VA 24572  
P:434-845-1606  
F:434-845-1613  
sharhaynes@acsava.com



| 10/19/22, 10:58 AM |                | IRMS - External |                  |                     |                          |
|--------------------|----------------|-----------------|------------------|---------------------|--------------------------|
| Payment Date       | Voucher Number | Number of Items | Amount Finalized | Administrative Cost | Amount of Payment        |
| TAX Overpayment    |                |                 |                  |                     |                          |
| 03/02/2022         | 22454289       | 51              | \$8574.14        | \$348.85            | \$8327.59                |
| 08/02/2022         | 23481512       | 1               | \$58.00          | \$2.32              | \$55.68                  |
| 09/03/2022         | 22448517       | 91              | \$1301.30        | \$52.06             | \$1249.24                |
| 09/02/2022         | 22470313       | 3               | \$283.86         | \$9.74              | \$273.12                 |
| 07/12/2022         | 23479702       | 2               | \$40.71          | \$1.80              | \$47.73                  |
| 04/02/2022         | 22480003       | 13              | \$1477.71        | \$59.11             | \$1418.60                |
| 02/02/2022         | 22449426       | 2               | \$178.64         | \$7.15              | \$171.49                 |
| 06/02/2022         | 23487575       | 4               | \$502.23         | \$20.08             | \$482.15                 |
| 01/04/2022         | 22444565       | 1               | \$51.38          | \$2.18              | \$52.25                  |
| Total YTD -        | 8              | 86              | \$17539.67       | \$561.67            | \$17038.10 - STATE TAXES |
| TRF Payment        |                |                 |                  |                     |                          |
| 10/04/2022         | 23483874       | 38              | \$3844.64        | \$157.75            | \$3786.86 - Rebate       |
| Total YTD -        | 1              | 38              | \$3844.64        | \$157.75            | \$3786.86                |

12,038.10  
+ 3,786.86  
-----  
15,824.96



## Low Income Household Water Assistance Program

### Topic Discussions:

The long-awaited launch of LIHWAP by VA Dept. of Social Services (DSS), scheduled for April 2022, finally occurred in October 2022, after many months of delays and false starts. The ACSA Executive Director was a utility representative on the Advisory Committee created by environmental law firm AquaLaw to assist DSS with the program development. He was excited about it for months, but now is concerned about the results, and not only is no longer excited, but cannot recommend ACSA participation to the ACSA Board.

The concerns are many:

- Overly optimistic original schedule, six months of delays, confusing program development, and continuing launch problems;
- Almost a year to get something as simple as a LIHWAP program description from DSS;
- Obstinance of Promise, a third party program administration contractor, to agree to changes raised by multiple utilities to simplify the Vendor Agreement and make it more palatable to participants;
- Issues with the final Vendor Agreement to be executed by DSS/Promise and participating utilities:

- Section 3, Termination of Agreement: DSS/Promise can terminate immediately and with no notice, but a participating utility must provide 2 months' notice. Termination by DSS/Promise allows no time or ability for a utility to refute the reason(s) for termination and try to prevent it. Utilities requested a 15 days notice by DSS/Promise, but Promise refused;

- Section 5.p, Financial Information/Billing Services: After much debate, Promise agreed to 30 days after receipt for utilities to return unapplied funding, but not during the last 3 months of the program, when it is most likely there will be unapplied funding to be returned; during those 3 months, utilities will only have 10 business days. ACSA returns would be done through the County Finance Dept., which takes 7 business days to process and mail ACSA bill payments, allowing ACSA only 3 business days to identify, process, and send return requests to CFD;

- Section 5, Data Collection: Utilities requested the timeframe and format either be mutually agreed on or specified in the Agreement; Promise refused both. So utilities have no idea what they will request, how long they will have to provide it, what format is required, and what extra cost, staff time, new software, etc. is necessary to provide Promise the requested data.

ACSA customers would communicate directly with Promise regarding utility bill financial assistance, so any problems resulting from the above concerns, or others that arise, would end up being blamed on ACSA by our customers. City of Lynchburg Water Resources Dept. Director Tim Mitchell said the City will not enroll in LIHWAP for those reasons, several other utilities have expressed reservations and may not participate, and County Attorney Popovich agrees with the above concerns and ACSA very possibly becoming "the bad guy" with ACSA customers if their participation in LIHWAP is problematic.

Mr. Hopkins explained he has been reporting on this topic for some time. He served on an advisory committee to assist the Department of Social Services, Aqua Law and a third party



vendor to establish an agreement. Once a draft agreement was received, Mr. Hopkins requested County Attorney Mr. Lockaby to review the program documents. Mr. Hopkins does not recommend participation with this program, citing potential issues ACSA customer's may have with the third party vendor (Promise Network, Inc). Although ACSA may participate in the program, any agreement will be between qualified ACSA customers and Promise Network. Mr. Hopkins also advised the Board that a decision of whether or not to participate does not have to be made at this meeting. ACSA can decide to join at any time; however, the program has limited funding, is awarded based on a first come first serve basis, and ends December of 2023.

Mr. Perrow would like to hold off on a decision concerning ACSA participation in the program, considering the amount ACSA writes off each year for bad debt. Sharlene Haynes, Office Manager, sent a message via text, to Assistant Director Hall during the meeting, to mention debt set off is for closed accounts and the Low Income Household Assistance Program is for active accounts.

Mr. Martin doesn't have any issues with the wording of the agreement, and would like to discuss this topic with all Board members present.

By motion of Board Chair Martin, and with the following vote, the ACSA Board voted to table discussions and decision for ACSA participation in the Low Income Household Water Assistance Program for a future Board meeting.

|          |                                                     |
|----------|-----------------------------------------------------|
| AYE:     | Mr. Martin, Mr. Perrow, Mr. Woods                   |
| NAY:     | None                                                |
| ABSTAIN: | None                                                |
| ABSENT:  | David Pugh, Board Member<br>Drew Wade, Board Member |



[RECEIVED FROM PROMISE 10/13/2022 2:35PM]

**Need help with your water bill? The Low-Income Household Water Assistance Program (LIHWAP) helps Virginia residents pay their water and wastewater bills.**

**About the Low Income Household Water Assistance Program (LIHWAP)**

The Low Income Household Water Assistance Program (LIHWAP) is a temporary federally funded program created to assist low-income households with water and wastewater bills. LIHWAP relief will be available to eligible Virginia residents from October 2022 until funds are depleted.

The program is administered by the Virginia Department of Social Services (VDSS) in partnership with Promise. Promise is a modern technology solutions company that works with utilities and government agencies around the country to provide payment flexibility for households who are unable to pay their bills and streamlined relief distribution to those in need.

**Eligibility**

Households eligible for LIHWAP assistance must have a past due water/wastewater balance and a gross household income below 150% of the federal poverty level based on household size (please see the *Income Guidelines Table* below). Priority will be given to households whose water/wastewater has been disconnected or is at risk of disconnection.

**How to Apply**

In October, eligible households may apply for LIHWAP relief at:

[www.promiseva.com](#)

Applicants not already enrolled in an income based program (LIHEAP, SNAP/EBT, TANF, SSI and means-tested veteran programs) will be required to provide evidence of household income.

Application assistance is available by contacting Promise directly between the hours of 7 a.m. to 7 p.m. Monday through Saturday. Please do not contact your local department of social services, as they will not be able to provide support regarding the application process. For assistance call 1-888-373-8908



**Income Guidelines Table**

Net monthly income may not exceed the following requirements:

| Household Size | Maximum Income |
|----------------|----------------|
| 1              | \$1,689        |
| 2              | \$2,289        |
| 3              | \$2,879        |
| 4              | \$3,469        |
| 5              | \$4,059        |
| 6              | \$4,649        |
| 7              | \$5,239        |
| 8              | \$5,829        |
| 9              | \$6,419        |
| 10             | \$7,009        |
| 11             | \$7,599        |
| 12             | \$8,189        |
| 13             | \$8,779        |
| 14             | \$9,369        |
| 15             | \$9,959        |
| 16             | \$10,549       |
| 17             | \$11,139       |
| 18             | \$11,729       |
| 19             | \$12,319       |
| 20             | \$12,909       |

**Notice to Water and Wastewater Utility Providers**

Water and Wastewater Utilities must enroll with Promise in order for their clients to participate in LIHWAP. Utilities interested in enrolling or with questions about LIHWAP should contact Promise at [LIHWAP@promise.org](mailto:LIHWAP@promise.org).





VIRGINIA DEPARTMENT OF  
SOCIAL SERVICES

**Promise.**

Virginia LIHWAP Distribution Program





## What is Virginia LIHWAP?

- ❖ LIHWAP (Low Income Household Water Assistance Program) is a federally funded program that helps households pay for drinking water and wastewater for their homes. This program will help eligible customers experiencing financial burden pay their past due home water bill
- ❖ Promise has been selected by the Virginia Department of Social Services to administer Virginia LIHWAP



## Why Participate?

### Benefit to Utility

- \$22.5M awarded to the State of Virginia
- Revenue Recovered: Money to pay down arrearages
- Fast safe Streamlined Process
- Easy enrollment Process

### Benefit to Household

- Up to \$2,500 per household
- Promise technology and approach equalizes outreach to customers in arrears
- Simplified application process
- Awarded money applied to balance



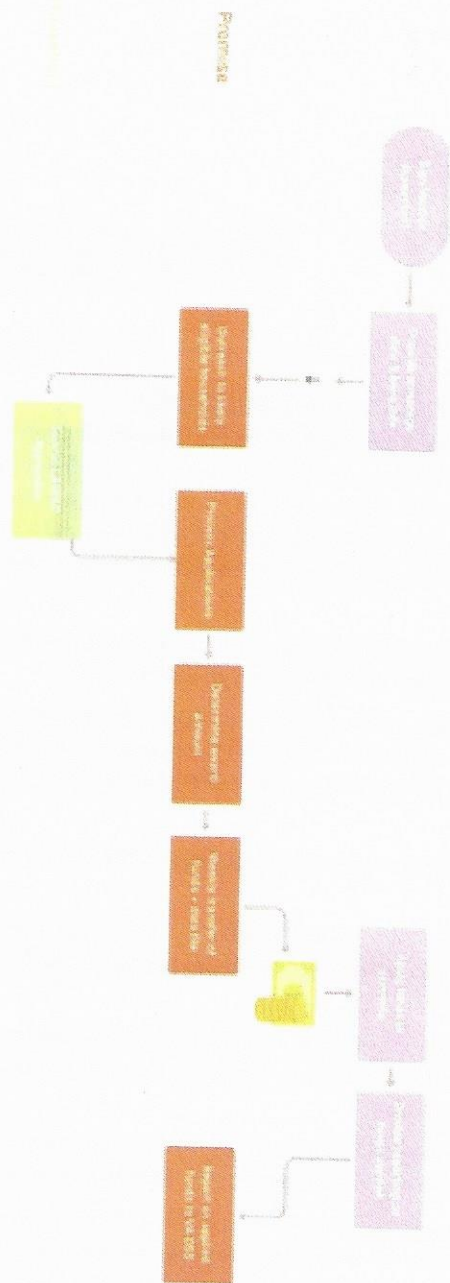




## Rules of VA LIHWAP Program

- Past due residential water debt is eligible
- Eligible households can receive up to \$2,500—across drinking and waste water
- Households qualify if they participate in SNAP, TANF, LIHEAP, SSI, or means - tested veteran programs OR if they make <150% federal poverty level (FPL)
- Prioritizing disconnected households and those at risk of shutoff
- Funds sent weekly to participating providers. Must be applied within 5 business days
- Providers guarantee no shut offs for LIHWAP recipients for 90 days









**WATER PROVIDER PARTICIPATION AGREEMENT**  
**FOR THE VIRGINIA LOW INCOME HOUSEHOLD WATER ASSISTANCE PROGRAM**

This Agreement is entered into effective the date of the last signature herein, by and between the Virginia Department of Social Services ("VDSS" or the "Agency"), Promise Network Inc. ("Promise") and the Water Provider listed on the signature page ("Water Provider") for the provision of water bill payments to assist low-income residential households with water and/or wastewater arrears, reconnection, and ongoing services.

WHEREAS, the Virginia Department of Social Services ("Agency") has been awarded a federal grant under the Low Income Household Water Assistance Program ("LIHWAP"); and

WHEREAS, federal funds awarded under the LIHWAP grant shall be used as part of an overall emergency effort to prevent, prepare for, and respond to the COVID-19 pandemic, with the public health focus of ensuring that low-income households have access to drinking water and wastewater services; and

WHEREAS, the Agency has contracted with Promise to administer LIHWAP on behalf of the Agency; and

WHEREAS, Promise's administrative duties include distributing funds for water and/or wastewater bill payments to the Water Provider from the LIHWAP grant funds on behalf of households approved for LIHWAP assistance; and

WHEREAS, the funds provided under this Agreement will be used to cover and/or reduce arrears, and pay rates and fees associated with reconnection or prevention of disconnection of service, for approved residential households; and

WHEREAS, LIHWAP payments may be used to pay past due balances for customers whose accounts are currently open/active and the household is approved for LIHWAP assistance; and

WHEREAS, this Agreement is governed by and subject to federal and state laws and regulations and the Office of Community Services (OCS), U.S. Department of Health and Human Services, and LIHWAP Supplemental Terms and Conditions (attached as Attachment A and incorporated by reference).

NOW, THEREFORE, in consideration of the mutual undertaking of the parties to this Agreement and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, VDSS, Promise, and the Water Provider hereby agree as follows:



**1. Term of Agreement**

This Agreement shall be in effect from the date of the last signature herein and will remain in effect until December 31, 2023 or until all of the Virginia LIHWAP funds have been distributed, whichever is sooner. The Agreement shall not bind, nor purport to bind, VDSS or Promise for any commitment after the term of the Agreement.

**2. Modifications of Agreement**

Any and all modifications to this Agreement shall be in writing and agreed upon by both parties.

**3. Termination of Agreement**

This Agreement may be terminated effective immediately upon notice to the Water Provider in the event of a determination by Promise that the Water Provider is not in compliance with the terms of this Agreement.

Either VDSS or the Water Provider may terminate this Agreement with or without cause and without cost by giving the other party at least sixty (60) calendar days written notice. Termination under this provision shall not discharge any obligation owed by either party on behalf of households that have been awarded LIHWAP benefits prior to the effective date of termination.

**4. Promise's Administrative Responsibilities**

Promise shall:

- a. Conduct outreach activities to notify potentially eligible households of LIHWAP.
- b. Screen for low-income households according to the VA LIHWAP criteria.
- c. Determine household eligibility based on the VA LIHWAP criteria.
- d. Provide Water Provider with the necessary requirements for data and funding exchanges. All required information must be provided prior to any payment being issued.
- e. Make every effort to coordinate closely with the Water Provider to facilitate and expedite the exchange of data and/or funding.
- f. After receipt of all requested documentation and information, and upon full compliance by the Water Provider with the terms herein, Promise shall:
  - i. Schedule payments for approved households. Payments will be issued via ACH transfer by Promise to the Water Provider on behalf of the Water Provider's customer.
  - ii. For each scheduled payment, provide a report detailing the total award amount, each customer account receiving a payment, the amount per approved customer account, and any other necessary information to identify the customer account and amount to be credited. The report will be provided to Water Provider concurrently with the transfer of funds so that Water Provider may remove all customers from severance field activities or restore water service as appropriate. Such report is considered confidential and shall be handled as such by Water Provider.
- g. Comply with all relevant state and federal laws and regulations in its implementation of the LIHWAP. VDSS or Promise shall provide notice to the Water Provider of any changes or amendments to policies or guidelines for the LIHWAP. Such notice may be distributed by email.



h. Collect and retain the following LIHWAP data indicators as needed from households receiving benefits as set forth in Terms 10 and 11 of the supplemental terms and conditions (Attachment A):

- i. Number and income levels of households that received assistance;
- ii. Number of households that received such assistance and include one or more individuals who are sixty (60) years or older, include a household member with a disability, or include children ages five (5) and younger;
- iii. Gather administrative information regarding local providers (if applicable), agreements with water utilities, recommendations, accomplishments, unmet needs and lessons learned.

**5. Water Provider Responsibilities to Participate in LIHWAP**

The Water Provider shall:

- a. Execute a LIHWAP Water Provider Participation Agreement.
- b. Provide a completed W-9.
- c. Notify Promise immediately if the Water Provider's tax identification number changes by submitting a new W-9 form to Promise.
- d. Provide banking information necessary for the transfer of funds via ACH (Water Provider's account name, bank name, routing number, and account number).
- e. Provide Promise with at least one designated contact person who shall be available to respond by telephone and electronic mail within 24 business hours to all reasonable inquiries regarding customer accounts, including, but not limited to, inquiries on bills, payments, and services.
- f. Notify VOSS and Promise within five (5) business days if the Water Provider's ownership, contact person, contact/billing information, services provided, or service coverage area changes.
- g. Provide Promise with customer data relating to arrears and customer information relating to any income-based programs where data is known by the Water Provider in the required format (see **Data Collection** for details).

**Financial Information/Billing/Services:**

- ii. Provide water and/or wastewater services to each eligible and approved residential household that has an account with the Water Provider for which payment is provided under LIHWAP as follows:
  - i. Restore water services to eligible and approved residential households upon full payment of arrearages. Full payment means the entire water and/or wastewater balance on the account including fees, interest, penalties, other charges billed related to disconnection or reconnection, and service transfer balances.
  - ii. After receiving full payment for restoration of water services, not terminate services due to arrearages for at least 90 days.
- i. Charge all LIHWAP-approved households the same price as that charged for drinking water and/or wastewater services to non-LIHWAP households, as determined by the approved rate



setting process and continue invoicing LIHWAP households using the Water Provider's normal billing process.

- j. Apply LIHWAP payments only to the approved open residential customer accounts authorized by the Agency or Promise.
- k. Not apply LIHWAP payments to account balances that have previously been written off or fully paid with other funds.
- l. Not discriminate against a LIHWAP-approved household with respect to terms, deferred payment plans, credit, conditions of sale, or discounts offered to other customers.
- m. Post all payments to customer accounts within five (5) business days from receipt of the funds. No late, interest, or other delinquent charges shall be added to the customer's account after the payment has been received and before the payment has posted.
- n. Inform each LIHWAP recipient that a payment has been applied to the account, including payment amount, in the manner normally used by the Water Provider to reflect payments.
- o. Provide Promise with confirmation of detailed customer account fund application within ten (10) business days of receipt of funds. If any funds were not fully applied to the intended customer account, provide Promise with the account information, amount not applied and the reason for the non-application of funds.
- p. Refund any unapplied funds to Promise within thirty (30) business days of receipt of funds. Payment may be made by check, ACH or wire. After September 30, 2023, all refunds of any unapplied funds shall be returned to Promise within ten (10) business days of receipt of funds.
- q. Continually maintain accurate records of LIHWAP credit balances and annually reconcile accounts.
- r. Not give any cash equivalent for excess credit.
- s. Cooperate with any Federal, State, or local investigation, audit, or program review as set forth in the Supplemental Terms and Conditions, Term 11.p. (Attachment A). The Water Provider shall allow Promise and Agency representatives access to all books and records relating to LIHWAP for the purpose of verification of compliance with this Agreement.
- t. Understand that failure to cooperate with any Federal, State, or local investigation, audit, or program review may result in the immediate disqualification from participation in the LIHWAP.
- u. Take corrective action in the timeframe specified by the Agency if violations of this Agreement are discovered. Corrective action may include, but is not limited to, providing detailed documentation of changes made and detailed plans for future changes that will bring the Water Provider into compliance.
- v. Understand that failure to implement corrective actions may result in the immediate disqualification from participation in the LIHWAP.

**Data Collection:**

- w. Provide, at no cost to Promise or the Agency or the household, the data requested below:
  - i. Contact information and service location address for and data on customers' household drinking water and/or wastewater costs, current balance, past due balance, service



status, bill payment history, and/or arrearage history. (Promise shall not require data for more than the previous twelve (12) monthly billing periods.)

- ii. Contact information for and data on customers who participate in any income-based programs where data is known by the Water Provider, including but not limited to the program name, criteria, and customer received funds.
- iii. The itemized amount, cost, and type of water assistance and services (e.g., drinking water, wastewater) provided for households approved for assistance under LIHWAP, including the costs of such services.
- iv. The amount of assistance provided to each household and whether the assistance restored water service or prevented shutoff.

The data must be provided within a timeframe and in a format as specified by VDSS or Promise. The data must be provided to Promise for the purposes of verification, research, evaluation, analysis, and reporting.

#### 6. Joint Duties

VDSS, Water Provider, and Promise agree to meet at mutually agreed upon dates as necessary to review any recommendations, accomplishments, unmet needs and lessons learned.

#### 7. General Conditions

- a. **AUTHORITY:** Nothing herein shall be construed as authority for either party to make commitments that will bind the other party beyond the scope of services contained herein.
- b. **DISCRIMINATION:** The Water Provider shall not discriminate against any household because of race, religion, color, sex, national origin, age, disability, political beliefs, sexual orientation, gender identity, or any other basis prohibited by state law relating to discrimination.
- c. **CONFIDENTIALITY:** The Water Provider and Promise agree that any information and data obtained as to personal facts and circumstances related to households as part of the performance of this Agreement shall be collected and held confidential, during and following the term of this Agreement, and shall not be disclosed without the individual's and VDSS's written consent except as required pursuant to order of a court of competent jurisdiction and as required by law, including the Virginia Freedom of Information Act.
- d. **FRAUD:** The Water Provider will be permanently disqualified from participating in the LIHWAP upon the first finding that the Water Provider has committed LIHWAP fraud. Fraud includes, but is not limited to, intentionally providing false information to Promise or knowingly allowing others to do so; intentionally failing to notify Promise of a change in circumstances that materially affects payments received by the Water Provider; intentionally accepting payments that the Water Provider knows, or by the exercise of reasonable diligence would know, the Water Provider is not entitled to by virtue of an overpayment or otherwise; or intentionally making a claim for a payment to which the Water Provider is not entitled pursuant to the terms of this Agreement and all applicable rules, regulations, laws and statutes. In the event the Water Provider receives payment from Promise that

the Water Provider is not entitled to as a result of the Water Provider's fraud, the Water Provider must repay the payment unless contrary to a court order.

e. NON-FRAUD OVERPAYMENTS: If the Water Provider receives an overpayment from Promise, the Water Provider shall repay the overpayment amount to Promise within ten (10) business days.

g. DUE AUTHORIZATION. The persons executing this Agreement represent and warrant to the other party that he or she has been duly authorized to so execute this Agreement.

h. SEVERABILITY. If any provision of this Agreement or the application thereof to any person or circumstance is held to be invalid, the invalidity shall not affect other provisions of this Agreement, which shall be given effect without regard to the invalid provision or application.

i. GOVERNING LAW. This Agreement shall be governed by the laws of the Commonwealth of Virginia, excepting its laws regarding the conflict of laws.

j. ENTIRE AGREEMENT. This Agreement contains all the terms and conditions agreed to by the parties. No other agreements, oral or written, are valid or bind the parties.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement. The parties to this agreement acknowledge the responsibilities, specified above, and will provide the accomplishment of this service in a mutually acceptable and efficient manner.



BY SIGNING BELOW, THE WATER PROVIDER INDICATES ITS DESIRE TO PARTICIPATE IN THE VA  
LHMWAP AND AGREES TO COMPLY WITH THE TERMS AND CONDITIONS CONTAINED IN THIS  
AGREEMENT.

VIRGINIA DEPARTMENT OF SOCIAL SERVICES

\_\_\_\_\_  
By: Michelle Skaggs, Director of General Services

\_\_\_\_\_  
DATE

PROMISE NETWORK INC.

\_\_\_\_\_  
By: Diana Frappier, CEO

\_\_\_\_\_  
DATE

Water Provider (Legal Name): \_\_\_\_\_

Doing Business As Name (if applicable): \_\_\_\_\_

Signature of Authorized Representative: \_\_\_\_\_

Printed Name of Authorized Representative: \_\_\_\_\_

Title of Authorized Representative: \_\_\_\_\_

Date: \_\_\_\_\_



ADMINISTRATION FOR  
**CHILDREN & FAMILIES**

330 C Street, S.W. Washington, DC 20201 | [www.acf.hhs.gov](http://www.acf.hhs.gov)

**SUPPLEMENTAL TERMS and CONDITIONS**

The **General Terms and Conditions** apply to all mandatory grant programs. These Supplemental Terms and Conditions are additional requirements applicable to the program named below.

By acceptance of awards for this program, the grantee agrees to comply with the requirements included in both the General and Supplemental Terms and Conditions for this program.

**Office of Community Services (OCS)**

**LOW INCOME HOUSEHOLD WATER ASSISTANCE PROGRAM (LHWAP)**

Assistance Listing No. 93.268(B) (with modifications based on P.L. 116-260)

**APPLICABLE LEGISLATION, STATUTE, REGULATIONS**

1. The administration of this program is authorized under Section 513 Title V of Division H of the Consolidated Appropriations Act, 2021, Public Law No: 116-260. Consistent with legislative instructions, program requirements use existing processes, procedures, and policies currently in place to provide assistance to low-income households. In particular, OCS has closely modeled the Low Income Household Water Assistance Program's (LHWAP) terms and conditions on assurances and requirements outlined in the Low Income Household Energy Assistance Act, 42 U.S.C. 8621 *et seq.*
2. The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards is located under 45 CFR Part 75. In accordance with 45 CFR 75.101 applicability, this program must comply with 45 CFR Part 75 in its entirety. No exceptions have been identified.
3. Additional applicable regulations and requirements can be found in the General Terms and Conditions for Mandatory, Formula, Block, and Entitlement Grants.

**COST SHARING OR MATCHING (NON-FEDERAL SHARE) OF PROGRAM FUNDING**

4. The federal financial participation rate (FFP) is 100 percent for this program. The federal award provides funds for 100 percent of allowable, legitimate program costs.
5. There is no non-federal cost share/matching required for this program. Program funds for this program are awarded with a 100 percent FFP rate for program costs.

**FINANCIAL REPORTING AND REQUIREMENTS**

6. The OMB approved Financial Reporting form for this program is the SF-425 Federal Financial Report SF-425 Federal Financial Report. Grantees must track and report on LHWAP funds separately from appropriated LIHEAP funds.



Supplemental Terms and Conditions

Low Income Household Water Assistance Program (LIHWAP)

- a. This report is submitted annually and must be submitted no later than December 31, which is 90 days following the end of each federal fiscal year (FFY).
  - b. A first interim report is due 90 days following the end of FFY 2021.
  - c. A second interim report is due 90 days following the end of FFY 2022.
  - d. A final report (cumulative, covering the entire project period) is due 3 months following the end of FFY 2023.
7. **Project Period.** The project period for this award is synonymous with the obligation period, as follows: from the date of the award through the end of FFY 2023 (September 30, 2023). Any federal funds not obligated by the end of the obligation period will be recouped by this Department.
8. **Liquidation Deadline.** All obligated federal funds awarded under this grant must be liquidated no later than 3 months after the end of the project period (i.e., December 31, 2023). Any funds from this award not liquidated by this date will be recouped by this Department.
9. The following are the grant/fiscal requirements based on modifications of existing LIHEAP policies and requirements:
- a. The grantees may use up to 15 percent of grant funds for planning and administering the funds under this award. The grantee will pay from non-federal sources the remaining costs of planning and administering the program under this award and will not use federal funds for such remaining cost. Administrative costs of the owners or operators of public water systems or treatment works that may be charged to this award, if any, are subject to this limitation and must be included together with the grantee's costs of planning and administration when calculating compliance.
  - b. The grantee will ensure that fiscal control and fund accounting procedures will be established as may be necessary to assure the proper disbursement and accounting for federal funds paid to the state under this award, including procedures for monitoring the assistance provided under this award, and provide that the grantee will comply with the provisions of chapter 75 of title 31, United States Code (commonly known as the "Single Audit Act").
  - c. The grantee may expend funds for immediate expenses necessary for planning and administering the use of funds upon receipt of the award. However, prior to the expenditure of grant funds for any payments to owners or operators of public water systems or treatment works on behalf of low-income households, the grantee must submit an implementation plan for OCS review and acceptance in a format provided by OCS that will (a) include the eligibility requirements to be used by the state for each type of assistance to be provided under this grant, (2) describe the benefit levels to be used by the state, territory, or tribe for LIHWAP assistance, (3) describe any steps that will be taken to target assistance to households with high home water burdens, and (4) provide a plan of administration including a plan of oversight and monitoring of any subrecipient organizations comparable to the processes and procedures for comparable grant programs. Not later than May 30, 2021, OCS will make available a Model State and Tribal Implementation Plan format to be used in developing and submitting the implementation plan for review.

**PROGRAM REPORTING AND REQUIREMENTS**

10. Grantees must track and report on LIHWAP program activities under this award separately from LIHEAP. The grantee must report annually on the following data elements, using an OMB-approved reporting format to be provided by OCS:
- a. the amount, cost, and type of water assistance provided for households eligible for assistance under this award;
  - b. the type of water assistance used by various income groups;

Supplemental Terms and Conditions

Low Income Household Water Assistance Program (LIHWAP)

- c. the number and income levels of households assisted by this award;
  - d. the number of households that received such assistance and include one or more individuals who are 60 years or older, include a household member with a disability, or include young children (ages 5 and younger);
  - e. the impact of each grantee's LIHWAP program on recipient and eligible households (e.g., amount of assistance to each household, and whether assistance restored water service or prevented shutoff); and
  - f. administrative information regarding local providers (if applicable), agreements with water utilities, recommendations, accomplishments, unmet needs and lessons learned.
11. The following are the program requirements, consistent with instructions in P.L. 116-260, Section 513 and consistent with existing program requirements for Low-Income Home Energy Assistance Program (LIHEAP) and other closely related programs:
- a. Federal funds awarded under this grant shall be used as part of an overall emergency effort to prevent, prepare for, and respond to the coronavirus, with the public health focus of ensuring that low-income households have access to safe and clean drinking water and wastewater services.
  - b. Funds will be used to provide assistance to low-income households—particularly those with the lowest incomes—that pay a high proportion of household income for drinking water and wastewater services. Assistance to households will be accomplished by providing funds to owners or operators of public water systems or treatment works to reduce arrearages of and rates charged to such households for such services. Grantees may use LIHWAP funding to cover arrearages arising at any time, including prior to this award.
  - c. Grantees shall, in carrying out programs funded with this grant, as appropriate and to the extent practicable, use existing processes, procedures, policies, and systems in place to provide assistance to low-income households, including by using existing programs and program announcements, application and approval processes.
    - i. Grant resources may be used to make payments only with respect to households in which one or more individuals are receiving the following:
      - 1. assistance under the State program funded under part A of title IV of the Social Security Act;
      - 2. supplemental security income payments under title XVI of the Social Security Act;
      - 3. food stamps under the Food Stamp Act of 1977;
      - 4. payments under section 415, 521, 541, or 542 of title 38, United States Code, or under section 306 of the Veterans' and Survivors' Pension Improvement Act of 1978; or
      - 5. payments under the Low Income Home Energy Assistance Program (LIHEAP); or
    - ii. households with incomes that do not exceed the greater of the following:
      - 1. an amount equal to 150 percent of the poverty level for such state; or
      - 2. an amount equal to 60 percent of the state median income;
      - 3. except that a state, territory, or tribe may not exclude a household from eligibility in a fiscal year solely on the basis of household income if such income is less than 110 percent of the poverty level for the state; but, the state, territory, or tribe may give priority to those households with the highest home water costs or needs in relation to household income.
  - d. The grantee will establish criteria and procedures for determining income eligibility comparable to established procedures and requirements for LIHEAP. The grantee will conduct outreach activities designed to ensure that eligible households, especially those with the lowest incomes,

Effective April 18, 2021

Page 2 of 8



Supplemental Terms and Conditions

Low Income Household Water Assistance Program (LIHWAP)

that pay a high proportion of household income for drinking water and wastewater services, are made aware of the assistance available under this title and any similar assistance available under the Community Services Block Grant program or through other emergency relief such as the Banking Emergency Assistance Fund and the U.S. Department of Treasury's Emergency Rental Assistance Program.

- a. The grantee will coordinate its activities under this title with similar and related programs administered by the Federal Government and each state, territory, or tribe, particularly low-income utility support programs such as LIHEAP, the Community Services Block Grant (CSBG), Supplemental Security Income (SSI), Temporary Assistance for Needy Families (TANF), the Social Service Block Grant, and the Emergency Rental Assistance Program.
- f. The grantee will provide, in a timely manner, that the highest level of assistance will be furnished to those households that have the lowest incomes and the highest water costs or needs in relation to income, taking into account family size, except that the state, territory, or tribe may not differentiate in implementing this section between the households described in condition 11(c)(ii) and 11(c)(iii) (above).
- g. The grantee will establish policies, procedures, and benefit levels on behalf of households that prioritize continuity of water services, including prevention of disconnection and restoration water services to households for which water services were previously disconnected.
- h. The grantee will provide funds to owners or operators of public water systems or treatment works ("owners or operators") to reduce charges of and rates charged to eligible households for such services. For all payments to owners or operators on behalf of individual households, the grantee must establish procedures to:
  - i. notify, or require the owner or operator to notify, each participating household of the amount of assistance paid on its behalf;
  - ii. ensure that the owner or operator will charge the eligible household, in the normal billing process, the difference between the actual amount due and the amount of the payment made by the LIHWAP grant;
  - iii. ensure that any agreement the grantee enters into with an owner or operator under this paragraph will contain provisions to ensure that no household receiving assistance under this grant will be treated adversely because of such assistance under applicable provisions of state, territorial or tribal law or public regulatory requirements;
  - iv. ensure that the provision of payments to the owner or operator remains at the option of the grantee, in consultation with local subgrantees; and
  - v. ensure that the owner or operator provides written reconciliation and confirmation on a regular basis that benefits have been credited appropriately to households and their services have been restored on a timely basis or disconnection status has been removed if applicable.
- i. The amount of any home water assistance benefits provided under this program for the benefit of an eligible household shall not be considered income or resources of such household (or any member thereof) for any purpose under any State, Territorial, or Tribal law, including any law relating to taxation, public assistance, or welfare programs.
- j. The grantee will not exclude income-eligible households (described above in condition 11(c)(ii)) from receiving home water assistance benefits.
- k. The grantee will establish procedures to treat owners and renters equitably under the program assistance provided with these grant resources.

Supplemental Terms and Conditions

Low Income Household Water Assistance Program (LHWAP)

- l. The grantee will provide for timely and meaningful public participation in the development of a state, territory or tribe's LHWAP implementation plan, such as publication and acceptance of comments via the grantee's website.
- m. The grantee will provide an opportunity for a fair administrative hearing to individuals whose claims for assistance under a LHWAP plan are denied or are not acted upon with reasonable promptness. Administrative hearing opportunities will be comparable to and may utilize existing processes, procedures, and systems currently in place for the state, territory, or tribe's Low Income Home Energy Assistance grant.
- n. The grantee will be responsible for planning and prioritizing funds for households in communities throughout the state with the exception of households within tribal jurisdictions for which OCS has reserved a portion of LHWAP funds. If the governing organization of any eligible tribal government or organization located within the state declines or is not able to successfully apply for available LHWAP funds, the state grantee will then be responsible for including eligible households within the tribe's jurisdiction in its outreach and service coverage.
- o. LHWAP grant funds may not be used by the grantee, or by any other person with which the grantee makes arrangements to carry out the purposes of this grant, for the purchase or improvement of land or the purchase, construction, or permanent improvement of any building or other facility.
- p. The grantee will permit and cooperate with federal investigations undertaken in accordance with the following procedures:
  - i. OCS shall, after adequate notice and an opportunity for a hearing conducted within the affected state, territory, or tribe, withhold funds from any grantee that does not utilize its allotment substantially in accordance with the terms and conditions.
  - ii. OCS shall review and respond in writing in no more than 60 days to matters raised in complaints of a substantial or serious nature that a grantee (or any person with which the grantee makes arrangements to carry out the purposes of the grant) has failed to use funds in accordance with these terms and conditions. Any violation of any one of the terms and conditions that constitutes a disregard of such assurance shall be considered a serious complaint.
  - iii. If OCS determines that there is a pattern of complaints from any state, territory, or tribe during the grant period, OCS shall conduct an investigation of the use of funds received under this award by the grantee in order to ensure compliance with terms and conditions.
  - iv. The HHS Office of the Inspector General (OIG) may conduct an investigation of the use of funds received under this title by a state, territory, or tribe in order to ensure compliance with the provisions of this title.
  - v. In the event of an investigation conducted by OCS, OIG, or another federal entity designated by OCS, the grantee shall make appropriate books, documents, papers, and records available to the Secretary or the Comptroller General of the United States, or any of their duly authorized representatives, for examination, copying, or mechanical reproduction on or off the premises of the appropriate entity upon a reasonable request therefor.
  - vi. In conducting any investigation under the procedures described above, OCS will not request any information not readily available to such state, territory, or tribe, or require that any information be compiled, collected, or transmitted in any new form not already available.

**REAL PROPERTY REPORTING**

12. Real Property Reports (SF-429s). The SF-429 Real Property forms are not applicable to this program. Purchase, construction, and major renovation are not an allowable activity or expenditure under this grant.

Effective April 19, 2021

Page 3 of 8



Supplemental Terms and Conditions

Low Income Household Water Assistance Program (LIHWAP)

### EFFECTIVE PERIOD

13. These program-specific Supplemental Terms and Conditions are effective on the date shown at the bottom of the pages of this document and will remain in effect until updated. They will be updated and revised only as needed whenever a new program-specific statute, regulation, or other requirement is enacted or whenever any of the applicable existing federal statutes, regulations, policies, procedures, or restrictions are amended, revised, altered, or repealed.

---

### Signature of Governor's Authorized Official

Name of State/Territory: Virginia

LIHWAP State/Territory Lead Agency: Virginia Department of Social Services

I certify that the LIHWAP State/Territory Lead Agency has reviewed and will abide by the conditions outlined above.

**S. Duke  
x Storen**

Digitally signed by  
S. Duke Storen  
Date: 2021.04.27  
13:54:59 -04'00'

Governor's Authorized Official

Effective April 19, 2021

Page 6 of 6

#### D. 2021 ACSA Financial Audit

Board Action: This is a presentation of the ACSA financial audit for 2021 by financial consultants Brown & Edwards. No Board Action is necessary.

Susan Chapman from Brown and Edwards presented audit matters. Reiterating the debt set off report, Chapman pointed out during the COVID pandemic utilities were not allowed to cut off services for non-payment for nearly two years. Now that cutoffs are allowed to continue, there will be evidence of struggles to recoup. Some audit comments surround customers who did not pay for months during moratorium periods. The pandemic will cause some strain on collections moving forward for customers who did not pay during this period. Cash balances were stable for the year 2021. There were swings between restricted and unrestricted cash between 2020 to 2021- restricted cash was used for projects. Operating revenues did increase slightly. Overall, fiscally, the Authority "weathered things pretty well." There are findings concerning controls that the Authority can improve upon, however, these did not impair their ability to give an unmodified opinion of the financials. Some items are repeated from past audits that could be cleaned up, specifically inventory, capital assets, and accounts receivables:

Inventory concerns: Things not labeled properly, and counted consistently. It is recommended inventory becomes more of an automated process and not manual that is subject to human error. Utilization of a work order system is recommended.

Capital Asset concerns: Currently, capital assets are maintained in an excel document that is subject to human error. Utilizing a financial software for this application will lead way for improvements. Audit findings were delayed due to back and forth information concerning capital assets.

Accounts Receivable concerns: Communication for needed adjustments needs to improve and become timelier.

Mr. Perrow asked about the timeline for receiving audit findings. Susan Chapman reiterated there were delays due to waiting on requested information. If information is provided timely, the audit could be complete within the 4<sup>th</sup> and 5<sup>th</sup> month, allowing adjustments to be made during the next 7 months. Mr. Perrow pointed out this would allow potentially 7 or 8 months to make changes in your systems as opposed to 2 months. Ms. Chapman mentioned a short 6 month audit for 2023 will take place to get ACSA on the same audit cycle as Amherst County. Mr. Hopkins is working on the 2023 6-month budget for approval in December or January; Ms. Chapman indicated this works with the timeline she discussed.

Mr. Perrow instructed the Executive Director to list out comments that are underlined and in bold in the audit, under "Comments On Internal Control And Other Suggestions For Your Consideration," and report at a later Board meeting what actions are needed to resolve those comments, and the timeline needed to take these actions. The Board will consider approval of policy changes and/or resources needed that would allow to compliance with the suggestions in the audit. The information provided by the Executive Director should be tracked for how, when, and the priorities to implement, to make these comments go away.

Mr. Martin asked what role Mrs. Stacey McBride, Amherst County Director of Finance (happened to be in attendance), plays during an audit? Also, will the new financial software help with audit issues? Mrs. McBride indicated she would like to see better billing software that would tie to their new financial software. She would like to see post card billing go away. The Authority is using billing software that is estimated at 20 years old. They two systems don't talk, requiring entries to be manual, allowing for mistakes. The go live date for the new financial software for Amherst is July of 2023. Mrs. McBride informed Mr. Martin that her role is to oversee the audit to be sure it gets done. She indicated things will be easier once



ACSA and Amherst County is on the same Fiscal Year.  
There were no other Board comments.



## REQUIRED COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

To the Board of Directors  
Amherst County Service Authority  
Madison Heights, Virginia

We have audited the financial statements of Amherst County Service Authority (the "Authority"), a blended component of the County of Amherst, Virginia (the "County") for the year ended December 31, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 14, 2021. Professional standards also require that we communicate the following information related to our audit.

### Significant Audit Matters

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2021. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- The estimate of the useful lives of capital assets is based on management's knowledge and judgment, which is based on historical experience.
- The estimate of the collectability of accounts receivable is based on management's knowledge of the nature of the receivable and historical experience.
- The net pension liability and the net OPEB liability for state administered plans are based on an actuarial study provided by actuaries engaged by the Virginia Retirement System.
- The estimate of accrued revenues is based on the last billing, prorated for the number of days left in the months of November and December, based on meter reading cycles.

---

*Your Success is Our Focus*

828 Main Street, Suite 1401 - Lynchburg, Virginia 24504 - 434-948-9000 - Fax: 434-948-9029 - [www.BEcpas.com](http://www.BEcpas.com)



### **Significant Audit Matters (Continued)**

#### *Qualitative Aspects of Accounting Practices (Continued)*

We evaluated the key factors and assumptions used to develop these estimates in determining that the estimates are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- Capital assets, long-term debt, commitments and contingencies, pension and OPEB disclosures, and the potential impacts of the COVID-19 pandemic.

The financial statement disclosures are neutral, consistent, and clear.

The Authority's reported pension and OPEB liabilities are liabilities as of June 30, 2020, which is the most current available from the Virginia Retirement System. For most participants, this balance is one year behind the date of the financial statements; however, since the Authority has a December 31 year end, it results in an eighteen month gap in the reported balance. Based on our discussions with management and our evaluation of enrollment, continuation rates, and noted lack of plan changes, we do not believe the change in the net pension liability resulting from this additional six month gap to be material.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The attached schedule of misstatements detected as a result of audit procedures have been corrected by management. The attached adjustments are considered material, both individually or in the aggregate, to the financial statements as a whole.

Management has determined that the effects of the following uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

- An understatement of \$24,311 in the beginning balance and \$24,072 in the ending balance of prepaid expenses was found, based on testing of invoices, as part of our audit procedures. These stem from the Authority having a calendar year while the County maintains policies on a June 30 fiscal year end. The Authority relies on the County for insurance renewals and coverage.
- A prior year overstatement of \$24,969 in cash and a corresponding understatement of beginning net position, which reversed in the current year resulting in no such matter at December 31, 2021.

#### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### **Significant Audit Matters (Continued)**

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated September 29, 2022, a copy of which is attached.

#### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### **Other Matters**

We applied certain limited procedures to the schedules identified as required supplementary information (RSI) in the table of contents of the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were not engaged to report on the introductory section, which accompanies the financial statements but is not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

#### *Cybersecurity Risk Management*

In today's environment of increasingly frequent cyber-attacks, ensuring the adequacy of cybersecurity is a critical aspect of Board oversight. In addition to significant business disruption, substantial response cost, negative publicity, and reputational harm, cybersecurity breaches can result in litigation, and leaders may face potential liability if they failed to implement adequate steps to protect the Organization.

Evidence suggests there may be a gap between the magnitude of exposure presented by cyber-risks and steps many corporate boards have taken to address these risks. Organizational leaders should be asking themselves what they can, and should, be doing to effectively oversee cyber-risk management.



Restriction on Use

This information is intended solely for the use of the Board of Directors and management of the Amherst County Service Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

*Brown, Edwards & Company, L.L.P.*  
CERTIFIED PUBLIC ACCOUNTANTS

Lynchburg, Virginia  
September 29, 2022

Amherst County Service Authority  
Adjusting Journal Entries  
Year Ended December 31, 2021

| Account                                                            | Description                         | Debit             | Credit            |
|--------------------------------------------------------------------|-------------------------------------|-------------------|-------------------|
| BE Entry - To adjust inventory to actual                           |                                     |                   |                   |
| 004-100-0010                                                       | INVENTORY                           | 5,839.04          |                   |
| 4-004-091130-1510                                                  | INVENTORY - MATERIAL & SUPPLIES     |                   | 5,839.04          |
| Total                                                              |                                     | <u>5,839.04</u>   | <u>5,839.04</u>   |
| BE Entry - Adjust A/R balances to actual                           |                                     |                   |                   |
| 004-125-0011                                                       | ACCOUNT CREDITS AND REFUNDS         | 3,425.00          |                   |
| 004-125-0099                                                       | RESERVE FOR RECEIVABLES             | 39,438.11         |                   |
| 004-125-0001                                                       | WATER RECEIVABLE                    |                   | 32,917.69         |
| 004-125-0002                                                       | SEWER RECEIVABLE                    |                   | 8,030.66          |
| 004-125-0005                                                       | TRANSFER FEES RECEIVABLE            |                   | 1,914.76          |
| Total                                                              |                                     | <u>42,863.11</u>  | <u>42,863.11</u>  |
| BE Entry - Adjust accrued leave to agree to client's schedule      |                                     |                   |                   |
| 4-004-091210-6010                                                  | WAGES                               | 4,777.39          |                   |
| 004-200-0010                                                       | ACCRUED LEAVE                       |                   | 4,777.39          |
| Total                                                              |                                     | <u>4,777.39</u>   | <u>4,777.39</u>   |
| BE Entry - Adjust allowance for doubtful accounts to actual amount |                                     |                   |                   |
| 004-125-0098                                                       | ALLOWANCE UNCOLLECTIBLE ACCOUNTS    | 28,000.00         |                   |
| 3-004-016500-0461                                                  | SERVICE CHARGE - WATER              |                   | 21,000.00         |
| 3-004-016500-0522                                                  | SERVICE CHARGE SEWAGE               |                   | 7,000.00          |
| Total                                                              |                                     | <u>28,000.00</u>  | <u>28,000.00</u>  |
| BE Entry - Adjust pension liability to actual                      |                                     |                   |                   |
| 004-150-3000                                                       | PENSION CONTRIB AFTER MEASURE DATE  | 26,058.00         |                   |
| 004-150-3010                                                       | PENSION INV PROJECT VS ACTUAL       | 184,086.00        |                   |
| 004-200-3000                                                       | PENSION INVESTMENT EARNING DIFFEREN | 69,387.00         |                   |
| 4-004-091510-7110                                                  | VRS(R)RETIREMENT)EMPLOYER SHARE     | 104,605.00        |                   |
| 004-200-3010                                                       | NET PENSION LIABILITY               |                   | 384,136.00        |
| Total                                                              |                                     | <u>384,136.00</u> | <u>384,136.00</u> |
| BE Entry - Adjust OPEB to actual                                   |                                     |                   |                   |
| 004-150-3030                                                       | DEFERRED OUTFLOW - HIC              | 1,460.00          |                   |
| 004-200-3015                                                       | NET OPEB LIABILITY - GLI            | 2,222.00          |                   |
| 004-200-3025                                                       | DEFERRED INFLOW - GLI               | 1,234.00          |                   |
| 004-200-3030                                                       | DEFERRED INFLOW - HIC               | 1,594.00          |                   |
| 004-150-3025                                                       | DEFERRED OUTFLOW - GLI              |                   | 24.00             |
| 004-200-3020                                                       | NET OPEB LIABILITY - HIC            |                   | 1,339.00          |
| 4-004-091510-7140                                                  | GROUP LIFE (VRS)                    |                   | 3,432.00          |
| 4-004-091510-7155                                                  | VRS- HEALTH INS CREDIT              |                   | 1,715.00          |
| Total                                                              |                                     | <u>6,510.00</u>   | <u>6,510.00</u>   |



Amherst County Service Authority  
Adjusting Journal Entries  
Year Ended December 31, 2021

| Account                                                                                                                         | Description                      | Debit               | Credit              |
|---------------------------------------------------------------------------------------------------------------------------------|----------------------------------|---------------------|---------------------|
| BE Entry - Adjust unbilled receivables to actual                                                                                |                                  |                     |                     |
| 004-125-0020                                                                                                                    | UNBILLED RECEIVABLES WATER       | 287,657.82          |                     |
| 004-125-0021                                                                                                                    | UNBILLED RECEIVABLE SEWER        | 34,594.13           |                     |
| 004-125-0099                                                                                                                    | RESERVE FOR RECEIVABLES          |                     | 322,251.95          |
| Total                                                                                                                           |                                  | <u>322,251.95</u>   | <u>322,251.95</u>   |
| BE Entry - Allocate left over in reserve for receivables to water and sewer revenue (allocated based on AR balance at year-end) |                                  |                     |                     |
| 3-004-016500-0461                                                                                                               | SERVICE CHARGE - WATER           | 128,828.71          |                     |
| 3-004-016500-0522                                                                                                               | SERVICE CHARGE SEWAGE            | 45,263.08           |                     |
| 004-125-0099                                                                                                                    | RESERVE FOR RECEIVABLES          |                     | 174,091.79          |
| Total                                                                                                                           |                                  | <u>174,091.79</u>   | <u>174,091.79</u>   |
| BE Entry - Fixed asset addition - Woodys Lake                                                                                   |                                  |                     |                     |
| 004-100-1002                                                                                                                    | CAPITAL ASSET LINES              | 85,830.60           |                     |
| 004-100-1002                                                                                                                    | CAPITAL ASSET LINES              | 1,337,528.15        |                     |
| 004-100-1001                                                                                                                    | CONSTRUCTION IN PROGRESS         |                     | 1,337,528.15        |
| 4-004-081090-3320                                                                                                               | WATER LINE EXT - PROF FEES       |                     | 7,286.85            |
| 4-004-081300-6050                                                                                                               | WATER LINE REPLACE - CONTRACTOR  |                     | 3,228.75            |
| 4-004-081300-6050                                                                                                               | WATER LINE REPLACE - CONTRACTOR  |                     | 68,450.00           |
| 4-004-081300-6055                                                                                                               | WATER LINE REHAB - PROF SERVICES |                     | 6,865.00            |
| Total                                                                                                                           |                                  | <u>1,423,358.75</u> | <u>1,423,358.75</u> |
| BE Entry - Fixed asset addition - John Deere Backhoe                                                                            |                                  |                     |                     |
| 004-100-1004                                                                                                                    | EQUIPMENT                        | 91,900.00           |                     |
| 4-004-091110-3920                                                                                                               | HEAVY EQUIPMENT - BACKHOE        |                     | 91,900.00           |
| Total                                                                                                                           |                                  | <u>91,900.00</u>    | <u>91,900.00</u>    |
| BE Entry - Fixed asset addition - 2021 Nissan Frontier Crew                                                                     |                                  |                     |                     |
| 004-100-1008                                                                                                                    | VEHICLES                         | 26,624.40           |                     |
| 4-004-091110-3910                                                                                                               | TRANSPORTATION EQUIPMENT - TRUCK |                     | 26,624.40           |
| Total                                                                                                                           |                                  | <u>26,624.40</u>    | <u>26,624.40</u>    |
| BE Entry - Fixed asset addition - Graham Creek Reservoir #1 Spillway Improvements (CIP at 12/31/21)                             |                                  |                     |                     |
| 004-100-1001                                                                                                                    | CONSTRUCTION IN PROGRESS         | 118,268.78          |                     |
| 4-004-081300-7027                                                                                                               | RESERVOIR DAM IMPROVEMENTS       |                     | 118,268.78          |
| Total                                                                                                                           |                                  | <u>118,268.78</u>   | <u>118,268.78</u>   |

Amherst County Service Authority  
Adjusting Journal Entries  
Year Ended December 31, 2021

| Account                                                                   | Description                     | Debit               | Credit              |
|---------------------------------------------------------------------------|---------------------------------|---------------------|---------------------|
| BE Entry - Fixed asset addition - Phelps Road School Water Line Extension |                                 |                     |                     |
| 004-100-1002                                                              | CAPITAL ASSET LINES             | 48,168.28           |                     |
| 004-100-1002                                                              | CAPITAL ASSET LINES             | 57,845.69           |                     |
| 004-100-1001                                                              | CONSTRUCTION IN PROGRESS        |                     | 57,845.69           |
| 4-004-081090-3310                                                         | WATER LINE EXTENSION - WAGES    |                     | 11,634.39           |
| 4-004-081090-3340                                                         | WATER LINE EXT - MATERIAL       |                     | 17,895.50           |
| 4-004-081090-3610                                                         | SEWER LINE EXT - PROF FEES      |                     | 788.39              |
| 4-004-091110-3540                                                         | GENERAL PLANT                   |                     | 17,850.00           |
| Total                                                                     |                                 | <u>106,013.97</u>   | <u>106,013.97</u>   |
| BE Entry - Record CY depreciation expense                                 |                                 |                     |                     |
| 4-004-091510-7900                                                         | DEPRECIATION EXPENSE            | 1,128,225.53        |                     |
| 004-100-1003                                                              | ACCUMULATED DEPRECIATION        |                     | 1,128,225.53        |
| Total                                                                     |                                 | <u>1,128,225.53</u> | <u>1,128,225.53</u> |
| BE Entry - Correct PBC AE 14 Entry (AJE #23)                              |                                 |                     |                     |
| 4-004-091150-4280                                                         | CAP PYMNT REGIONAL SEWAGE PLANT | 395,000.00          |                     |
| 4-004-091140-2210                                                         | DEBT RETIREMENT PRINCIPAL       |                     | 355,000.00          |
| 4-004-091140-2250                                                         | PRINCIPAL VPFP 2020 REFI        |                     | 40,000.00           |
| Total                                                                     |                                 | <u>395,000.00</u>   | <u>395,000.00</u>   |





P. O. BOX 100  
MADISON HEIGHTS, VA 24572-0100  
PHONE (434) 845-1605  
FAX (434) 845-1613  
acsava@acsava.com

September 29, 2022

Brown, Edwards & Company, L.L.P.  
828 Main Street, Suite 1401  
Lynchburg, Virginia 24504

This representation letter is provided in connection with your audit of the financial statements of the Amherst County Service Authority (the "Authority"), which comprise the financial position of the Authority as of December 31, 2021 and 2020, and the changes in financial position and cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your audit.

#### Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated July 14, 2021, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.



- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. The uncorrected misstatements are:
  - a) An understatement of prepaid expenses of \$24,072, with a corresponding overstatement of expenses, resulting from a misclassified invoice for insurance.
  - b) A prior year understatement of beginning prepaid expenses from a misclassified invoice for insurance, created an understatement of expenses of \$24,311, with a corresponding understatement of equity.
  - c) A prior year overstatement of cash of \$24,969 with a corresponding understatement of equity.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which the entity is contingently liable, if any, have been properly recorded or disclosed.
- 11) We have provided the planning communication letter to all members of those charged with governance as requested.

**Information Provided**

- 12) We have provided you with:
  - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
  - b) Additional information that you have requested from us for the purpose of the audit.
  - c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
  - d) Minutes of the meetings or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 13) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 14) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 15) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - Management,
  - Employees who have significant roles in internal control,
  - Others where the fraud could have a material effect on the financial statements.
- 16) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, regulators, or others.





- 17) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.
- 18) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements and we have not consulted a lawyer concerning litigation, claims, or assessments.
- 19) We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

**Government—specific**

- 20) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 21) We have a process to track the status of audit findings and recommendations.
- 22) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 23) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- 24) The entity has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position.
- 25) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting specific activities in separate funds.
- 26) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- 27) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 28) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- 29) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 30) As part of your audit, you assisted with preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within



senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.

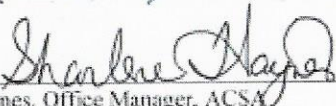
- 31) We have reviewed the proposed adjusting entries and understand the nature and impact these entries have on our financial statements. We are in agreement with those adjustments.
- 32) The entity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 33) The entity has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 34) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 35) Components of net position (net investment in capital assets; restricted; and unrestricted) are properly classified and, if applicable, approved.
- 36) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
- 37) Provisions for uncollectible receivables have been properly identified and recorded.
- 38) Expenses have been appropriately classified in or allocated to functions in the statement of revenues, expenses, and changes in fund net position, and allocations have been made on a reasonable basis.
- 39) Revenues are appropriately classified in the statement of revenues, expenses, and changes in fund net position within operating and nonoperating revenues.
- 40) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 41) Special and extraordinary items are appropriately classified and reported, if applicable.
- 42) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 43) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- 44) Capital assets have been evaluated for impairment as a result of significant and unexpected decline in service utility.
- 45) We believe that the actuarial assumptions and methods used to measure pension and OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.
- 46) We have not completed the process of evaluating the impact that will result from adopting new Governmental Accounting Standards Board Statements (GASBS) that are not yet effective, as discussed in the notes to financial statements. The entity is therefore unable to disclose the impact that adopting these Statements will have on its financial position and the results of its operations when the Statements are adopted.
- 47) We agree with the findings of the actuaries in determining pension and OPEB liabilities and disclosures, and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did

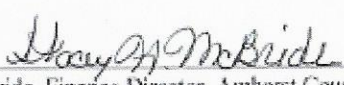




- 48) not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.
- 49) We have appropriately disclosed the entity's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 50) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 51) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 52) Expenditures of federal awards were below the \$750,000 threshold in the audit period, and we were not required to have an audit in accordance with the Uniform Guidance.
- 53) To the extent our normal procedures and controls related to our financial close or other reporting processes at any of our locations were adversely impacted by the COVID-19 outbreak, we took appropriate actions and safeguards to reasonably ensure the fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America.
- 54) Other than as disclosed in note 12 to the financial statements, no other impacts from the COVID-19 outbreak are necessary to be reflected in those financial statements.
- 55) Disclosures included in the financial statements regarding the relevant significant business, financial, and reporting impacts of the COVID-19 outbreak accurately reflect management's full consideration of such impacts.
- 56) We reaffirm the representations made to you in our letter dated August 20, 2021 regarding your audit for the fiscal year ended December 31, 2020.

Signature:   
Robert A. Hopkins, PE, Executive Director, ACSA

Signature:   
Sharlene Haynes, Office Manager, ACSA

Signature:   
Stacey McBride, Finance Director, Amherst County

**AMHERST COUNTY SERVICE AUTHORITY**  
**(A Blended Component Unit of the**  
**County of Amherst, Virginia)**

**FINANCIAL REPORT**

**December 31, 2021**





# AMHERST COUNTY SERVICE AUTHORITY

## TABLE OF CONTENTS

Page

### INTRODUCTORY SECTION

|                                        |   |
|----------------------------------------|---|
| Directory of Principal Officials ..... | i |
|----------------------------------------|---|

### FINANCIAL SECTION

|                                                                         |   |
|-------------------------------------------------------------------------|---|
| Independent Auditor's Report .....                                      | 1 |
| Basic Financial Statements                                              |   |
| Statement of Net Position .....                                         | 4 |
| Statement of Revenues, Expenses, and Changes in Fund Net Position ..... | 5 |
| Statement of Cash Flows .....                                           | 6 |
| Notes to Financial Statements .....                                     | 8 |

### REQUIRED SUPPLEMENTARY INFORMATION

|                                                                       |    |
|-----------------------------------------------------------------------|----|
| Schedule of Changes in Net Pension Liability and Related Ratios ..... | 32 |
| Schedule of Pension Contributions .....                               | 33 |
| Schedule of Changes in Net OPEB Liability and Related Ratios .....    | 34 |
| Schedule of Employer's Share of Net OPEB Liability .....              | 35 |
| Schedule of OPEB Contributions – Health Insurance Credit .....        | 36 |
| Schedule of OPEB Contributions – Group Life Insurance .....           | 37 |
| Notes to Required Supplementary Information .....                     | 38 |

### COMPLIANCE SECTION

|                                                                                                                                                                                                                                       |    |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|
| Independent Auditor's Report on Internal Control over Financial Reporting and on<br>Compliance and Other Matters Based on an Audit of Financial Statements<br>Performed in Accordance with <i>Government Auditing Standards</i> ..... | 39 |
| Summary of Compliance Matters .....                                                                                                                                                                                                   | 41 |
| Schedule of Findings and Responses .....                                                                                                                                                                                              | 42 |





## **INTRODUCTORY SECTION**

---



AMHERST COUNTY SERVICE AUTHORITY  
DIRECTORY OF PRINCIPAL OFFICIALS  
December 31, 2021

DIRECTORS

David Pugh, Jr. – Chair  
Tom Martin – Vice-Chair

Jennifer Moore

Wesley Woods

Turner Perrow

DIRECTOR OF PUBLIC UTILITIES

Robert Hopkins, PE

TREASURER

Joanne A. Carden

SECRETARY

Robert Hopkins, PE

INDEPENDENT AUDITORS

Brown, Edwards & Company, L.L.P.

## **FINANCIAL SECTION**





## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Amherst County Service Authority  
Madison Heights, Virginia

### Report on the Audit of Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of the Amherst County Service Authority (the "Authority"), a blended component unit of the County of Amherst, Virginia, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority, as of December 31, 2021, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and *Specifications for Audits of Authorities, Boards and Commissions* issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Amherst County Service Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

---

*Your Success is Our Focus*

222 Main Street, Suite 1401 - Lynchburg, Virginia 24504 - 434-948-9000 - Fax: 434-948-9029 - [www.BEcpas.com](http://www.BEcpas.com)