Service Authority
AMHERST COUNTY | VIRGINIA

AMHERST COUNTY SERVICE AUTHORITY BOARD
MEETING MINUTES

AGENDA

December 6, 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, December 6, 2022

IV. **Approval of Minutes**

A. ACSA Board Meeting Minutes, November 1, 2022

V. **Monthly Financial Report**

A. October 2022 ACSA Financial Report

VI. **Old Business**

A. Executive Director's Report

B. Assistant Director's Report

VII. **New Business**

A. ACSA Master Plan

B. ACSA Draft Budget, January – June, 2023

C. ACSA 2022 Rates and Fees Benchmarking Study

D. Miscellaneous Matters

E. Gateway Sanitary Sewer Project Funding

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 6th day of December, 2022, starting at 1:30 p.m., the following members were present:

SERVICE AUTHORITY (ACSA) BOARD:

PRESENT: Tom Martin, Board Chair
Turner Perrow, Board Vice Chair
David Pugh, Board Member
Drew Wade, Board Member
Wesley Woods, Board Member

STAFF:

PRESENT: Robert A. Hopkins, PE, Executive Director/Board Secretary
Richard Hall, Assistant Director
Mike Lockaby, 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 Drew Wade, and with the following vote, the ACSA Board voted to approve the agenda for December 6, 2022.

AYE:	Mr. Martin, Mr. Perrow, Mr. Pugh, Mr. Wade, Mr. Woods
NAY:	None
ABSTAIN:	None

IV. Approval of Minutes

A. ACSA Board Meeting – November 1, 2022

By motion of Board Vice Chair Mr. Turner Perrow, and with the following vote, the ACSA Board voted to approve the draft minutes for the November 1, 2022, ACSA Board meeting:

AYE:	Mr. Martin, Mr. Perrow, Mr. Pugh, Mr. Wade, Mr. Woods
NAY:	None
ABSTAIN:	None

V. Monthly Financial Report:

A. October, 2022 Financial Report

Mr. Hopkins compared ACSA finances for October 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)	- $5,642.85 (- 0.20%) vs. 2021
Total revenues	+ $ 74,314.71 (+ 2.37%) vs. 2021

   b. Connections:

   Thru October, 39 new water service connections (2 in October):

   88.6% of 2021 total (44, an increase of 9 from 2020)
   105.4% of 5 year annual average (37.0, an increase of 8.8 from 2020)
   60.0% of pre-recession annual average (65)

Tap fees:	- $ 7,990.00 (- 4.15%) vs. 2021

2. ACSA Operations Revenues – Wastewater

   a. Revenues:

Sales (top line & boxed are of Section I.B)	+$ 39,948.75 (+5.85%) vs. 2021
Total revenues	+ $ 11,845.31 (+ 1.49%) vs. 2021

   b. Connections:

   Thru October, 10 new service connections (0 in October):

   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:	- $ 46,680.00 (- 43.32%) vs. 2021

3. ACSA Operational Revenues – Water and Wastewater

a. Sales:	+ $ 34,305.90 (+ 0.99%) vs. 2021
b. Total Revenues:	+ $107,023.02 (+ 2.69%) vs. 2021

4. Non-Operational Revenues - $216,880.81 (- 87.32%) vs. 2021
5. Total ACSA Revenues - $154,857.79 (- 3.62%) vs. 2021
6. Summary:

October water sales increased $25,499.69 (8.69%) from September and are almost equal (-$5,642.85, -0.20%) for year-to-date 2022 compared to the same period of 2021. Total water revenues thru October are $74,314.71 (2.37%) better than the first ten months of 2021.

ACSA had 2 new water service connections in October. Tap fees to date in 2022 are slightly lower (-$7,990.00, -4.15%) than for the same period of 2021.

October wastewater sales decreased $23,302.63 (26.15%) from September. Sales year-to-date thru October compared to the same period of 2021 are up $39,948.75 (+5.85%). Total wastewater revenues thru October are $11,845.31 (+1.49%) better than the first ten months of 2021.

There were 0 new wastewater service connections in October. Tap fees to date in 2022 are down $46,680.00 (43.32%) compared to the first ten months of 2021.

Combined year-to-date water and wastewater sales thru October are up $34,305.90 (0.99%) from the same period in 2021. Total operational revenues thru October are up $107,023.02 (2.69%) compared to thru October 2021. Non-operational revenues are down $216,880.81 (-87.32%) from 2021, resulting in total ACSA revenues thru October 2022 being down $154,857.79 (3.62%) from the same period in 2021.

ACSA received $3,786.86 in October from the State Debt Setoff Program to defray unpaid and uncollectable utility account balances, bringing the total received so far in 2022 to $19,611.82.

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

	2017	2022	Change
No. of business water connections	422	425	+3
No. of residential water connections	5,584	6,021	+437
No. of total water connections	6,006	6,446	+440 **
No. of business sewer connections	201	203	+2
No. of residential sewer connections	816	925	+109
No. of total sewer connections	1,017	1,128	+111 ***

** An average annual increase of 88.0 connections.

*** An average annual increase of 22.2 connections.

Mr. Hopkins mentioned wastewater sales are doing extremely well this reporting period. Typically, water carries wastewater, however, wastewater seems to be carrying its own. Mr. Hopkins also added ACSA should match or exceed the number of new water connections that occurred in 2021.

Mr. Perrow asked Mr. Hopkins to speculate the reason wastewater is doing so well this year vs the previous year. Mr. Hopkins is not sure but suggested maybe customers are paying their bills more frequently than last year. Mr. David Pugh mentioned the wastewater rates has gone up, to which Mr. Hopkins mentioned the rate has gone up most every year. Mr. Hopkins and Mr. Pugh agree it's better for sales to be up than not. Mr. Perrow would still like to know why wastewater sales are up, since wastewater sales should track water sales. Since wastewater sales are up, water sales should also be up. Mr. Hopkins mentioned the financial report is based on cash sales and is not accrual accounting. Mr. Martin asked if wastewater sales are more than water sales? Mr. Hopkins replied that wastewater sales are better than previous years. Typically, wastewater sales are in the red, compared to the previous year, by this time of the year- this is not the case this year.

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.

Mr. Hopkins reported he has been in touch with Senator Warner's Office, since the agenda packet was published. ACSA is on track to receive the $2M appropriation. The budget has not been approved yet, however, the funding is still in there and as long as nobody takes it out, ACSA should be ok to receive the funds.

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 secured one of the two remaining needed easements and got preliminary approval for the other in November. Finalization of the preliminary approval easement and the softball association property easement will allow construction bids advertisement to proceed for a start of construction early spring.***

Hopkins reports he has received the last two easements needed except for the softball association property easement. Hopkins plans to contact their Board chair to get this easement signed. He has already asked Hurt & Proffitt to be ready to advertise this project, design approvals are already complete. Mr. Hopkins also met with Mr. Raymond Burford (affected property owner) in a site meeting the day prior, who is hopeful that the project can be complete by April, 2023. Mr. Hopkins feels this schedule can be accomplished.

- 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.

- VC Mobile Home Park:

  * 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 design are done, ACSA and VDOT have approved, and CVTC is looking at granting the necessary easement. All materials are received and will be paid for by the $250,000 State

appropriation to ACSA. If CVTC grants the easement quickly, completion of the project is expected in November except for new sidewalk.

* 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 December, upon completion of the design for the added water main installation scope of work. Hopkins plans to invoice CVTC for reimbursement from the State funding for all materials and outside services, then ask for any remaining balance for ACSA labor and equipment for the installation.
* A pre-construction meeting for the replacement sidewalk will be conducted by mid-December, at which time the contractor will provide a proposed construction schedule.

- 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 October to the end of November 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.
* ***The $2,250 grant reimbursement for the revised Emergency Action Plan and the 10/26/2021 tabletop exercise was received from the VA Dept. of Conservation & Recreation in November.***

- 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 live of pumps and equipment, and a recommendation is made not to replace the force main initially.
  * ***ACSA, County staff, and financial consultants Davenport & Co. and Sands-Anderson are working and meeting on ways to fund the project. Options discussed to date include ad ACSA revenue bond, a USDA grant, use of Tax Increment Financing (TIF), and County establishment of a Special Tax District (STD), with the STD looking the most promising.***

Hopkins reports Mr. R.T. Taylor, from Davenport & Associates will be presenting funding analysis to the ACSA Board later in this Board meeting and will also provide the same presentation to the Amherst Board of Supervisors in their meeting later today.

- 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 approved the engineer's design for the extension. VDOT approval for the road crossing is expected soon. Pipe installation within the ACSA easement began in mid-November and is complete except for the public road crossing needing VDOT approval. Project completion is expected before mid-December if VDOT approval is received soon.***

- 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 is finishing the water main installation and began the sanitary sewer installation 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).
* ***Discussions regarding funding the sanitary sewer installation are continuing (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.
* ***At its 11/1 meeting, the ACSA Board requested staff to draft a letter to the VA Dept. of Environmental Quality asking for assistance in resolving this matter. DEQ replied in mid-November with a preliminary plan to arrange a meeting of jurisdictional stakeholders to try to assign responsibility(s). Hopkins is working with prospective attendees to schedule a meeting.***

Hopkins is coordinating a meeting with the ACSA Board and the Commonwealth Attorney. Hopkins asked the Board if they would like to invite another stakeholder to this meeting that is possibly suing the shopping center for damages that have occurred to this citizen's home as a result of sewer overflows. She has retained McGuire Woods to legally represent her. Mr. Martin answered "probably not," at this time. Mr. Woods recommended we inform this property owner of their work concerning this matter. Hopkins has already done this. Mr. Perrow asked the intent of this meeting? Hopkins replied that this meeting is to be held with the Commonwealth Attorney, VA Department of Environmental Quality and the VA Department of Health. Mr. Perrow asked what is needed from the ACSA Board at this meeting? Hopkins replied this meeting is being held to discuss who can put pressure on the shopping center property owners to correct the problem. Perrow asked if this could occur at a regularly scheduled Board meeting? Hopkins replied this may be difficult due to the next Board meeting following a holiday. Mr. Martin requested Hopkins to inquire if participants can attend the January 3rd Board meeting. If participants aren't able to attend, then possibly have this as an agenda item before the next Board of Supervisors meeting (January 17, 2023). Mr. Perrow asked if this would be a closed session? County Attorney Lockaby advised that to meet all the FOIA (Freedom of Information Act) requirements, when more than three of the invited attendees are attending, it becomes a public meeting and cannot take place in a closed session. Perrow asked since the Board is seeking legal counsel, could this become a closed session meeting? Attorney Lockaby replied since DEQ and DOH are attending it becomes a public meeting. Martin suggests the Board ask DEQ who can initiate what to get the issue resolved, then go into closed session. Perrow recommends that a closed session is scheduled on the agenda for this meeting that does not have to be held if there is no need, but is listed to get consultation from our council if needed.

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.

* ***The ACSA Board approved and the County Board of Supervisors adopted on 11/15 changes to the County Code to alter ACSA availability fees assessment from estimated water use to water meter size.***
* ***A draft budget for the first six months of 2023 was emailed to ACSA Board members 11/15, with a request to review and comment for a planned 12/6/2022 or 1/4/2023 adoption. One received comment was addressed (see Agenda Item VII.B).***
* ***Staff has prepared the annual benchmarking of rates and fees (see Agenda Item VII.C).***

- 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.
     * ***At its 11/1 meeting, the ACSA Board acted on recommendations from the Executive Director and County Attorney to postpone enrollment in LIHWAP to a later date.***
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.

7. ***ACSA 2021 Audit, Comments on Internal Control and Other Suggestions***

   The audit was presented at the 11/1 ACSA Board meeting and resulted in a Board directive that staff report monthly on addressing the auditors' recommendations:

   - ***Budget Approval***

     The delay in adoption of the 2022 budget beyond the January 2022 Board meeting was inadvertent and without knowing that the expenditure of public money without an adopted budget is not allowed. Now that ACSA is aware of the situation, steps will be taken to prevent recurrence.

   - ***Capital Assets***

     In early 2022, the ACSA Assistant Director was tasked to work with the Operations Manager to improve asset management. Much progress has been made, but this remains a project that is ongoing; additional progress will be reported to the ACSA Board as it is completed.

   - ***Overall Condition of Authority Records***

     The reported inadequate communications between ACSA and the County Finance Dept. are expected to be addressed with the implementation of new County financial and accounting software in mid-2023.

   - ***Work Order System***

     Improvements to the work order system are being implemented by the Assistant Director and the Operations Manager. The work began earlier in 2022, is ongoing, and progress will be reported to the ACSA Board as it is completed.

   - ***Segregation of Duties***

     Improvements to improve segregation of duties are being implemented by the Assistant Director and the Operations Manager. The work began earlier in 2022, is ongoing, and progress will be reported to the ACSA Board as it is completed.

   - ***Reconciliations and Adjustments***

     As written, this item appears to be a County Finance Dept. issue, with information to be provided by ACSA when requested. The work will begin in 2023 with planning for the planned midyear changes to ACSA finances and accounting with implementation of the new County financial software, and

progress will be reported to the ACSA Board as it is completed.

- ***Inventory Management***

  In early 2022, the ACSA Assistant Director was tasked to work with the Operations Manager to improve asset management. Much progress has been made, but this remains a project that is ongoing; additional progress will be reported to the ACSA Board as it is completed.

- ***Electronic Payments***

  As written, this item appears to be a County Finance Dept. issue, with information to be provided by ACSA when requested. The work will begin in 2023 with planning for the planned midyear changes to ACSA finances and accounting with implementation of the new County financial software, and progress will be reported to the ACSA Board as it is completed.

- ***Procedures and Controls Over Inventory Counts***

  In early 2022, the ACSA Assistant Director was tasked to work with the Operations Manager to improve asset management. Much progress has been made, but this remains a project that is ongoing; additional progress will be reported to the ACSA Board as it is completed.

- ***Procurement and Purchasing Policies***

  ACSA maintains compliance with the County Purchasing Manual regarding procurement of materials and services for ACSA capital projects.

- ***Uncollectible Accounts***

  Discussions with ACSA Water Office staff indicate that all unpaid customer accounts are written off after three years of trying to collect them and sent to the Virginia Debt Set-Off Program for possible future collections; as of the 11/1/2022 ACSA Board meeting, the Program had sent ACSA $15,824.96 in money from debtors.

- ***Customer Deposit Listing***

  The audit reports that "......this comment is no longer an issue for fiscal year 2021........"

- ***Authority Information Technology***

  ACSA's IT consultant works with ACSA staff to ensure proper daily backups of ACSA data for disaster recovery.

- ***Disaster Recovery***

As written, this item appears to be a County Finance Dept. issue, with information to be provided by ACSA when requested. ACSA's IT consultant works with ACSA staff to ensure proper daily backups of ACSA data for disaster recovery.

- ***Equipment Retirement Policy***

  As written, this item appears to be a County Finance Dept. issue, with information to be provided by ACSA when requested. ACSA will review for adoption whatever resolution of this issue is implemented by the County Finance Dept.

A site meeting was held December 2, 2022, concerning the Madison Heights TownCenter Project, in which Mr. Hopkins, Hurt & Proffitt, and Mr. Patel, the developer attended. The purpose of the meeting was to review ACSA's water model to address water supply and pressure issues that exist in front of this project. There were discussions about possibly upgrading the size of the existing 8" piping, extending this line further to the east, possibly tying it to other water infrastructure, and extending this line to Daniels Drive. These are three options to hopefully fix the problem of water supply and pressure issues.

Mr. Woods asked if ACSA has a need to upsize the water line in the route 29 area. Mr. Hopkins mentioned a new water line could be installed under the new sidewalk that was just installed by VDOT. Mr. Martin recalls there being low water pressure issues associated with a hydrant in this area. He recommends not letting the new sidewalk hinder a decision to install upgraded water lines. Hopkins replied, "we won't." Hopkins will report back later regarding the proposed model.

Mr. Hopkins added ACSA has to have a new raw water intake on the James River by the end of 2025. ACSA should go ahead and issue an RFP for this work. He has already initiated work with Hurt & Proffitt on an RFP. The original estimate for this work has increased from $5M to $8M. Mr. Martin asked if there is anything wrong with the existing intake. Mr. Hopkins replied that we do not have one. During the drought of 2002, a temporary pump and suction line was installed down to the river, and a permanent line to pump water to the reservoir was installed. DEQ wants a permanent pump station there for a permanent tertiary water source. This will protect Harris Creek by reducing the amount of water withdrawn from it. Mr. Hopkins is looking to develop an RFP in the 1st Quarter of next year and Work with Mr. Taylor (Davenport & Assoc.) on financing in the second quarter.

Mr. Perrow asked Hopkins if he would consider an eligible USDA PER that would look at different funding alternatives. This would potentially allow USDA funding as well as other funding to put into it. Mr. Hopkins is concerned about the length of time to get a USDA grant. Perrow indicates a USDA eligible PER takes three months. Perrow asked why spend $8M to install a pump station when and alternative could be to connect to the Town of Amherst or the City of Lynchburg?

Martin asked the location of this tertiary source. Hopkins replied at the end of Johns Creek Rd. It is determined this location is further up the river from the Gateway project.

Mr. Pugh asked if ACSA is restricted in the amount of water that can be withdrawn form Harris Creek? Also does the city of Lynchburg have parameters for the water taken from the Pedlar River? He is aware when the water level gets too low in the Pedlar, the City has to switch over to the James River. Hopkins is not sure of the amount, but all permits have a ceiling.

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. As a follow-up to discussions at the November 1. 2022 Board Meeting, ACSA is exploring options to eliminate "post card" billing.

Mr. Hall reiterated ACSA is looking into the possibility of eliminating post card billing.

2. 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 forth-coming. 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 <u>1) lead, 2) galvanized requiring replacement</u> (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)., <u>3) non-lead, or 4) lead status unknown.</u> 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.
- ***Discussions with one neighboring community water system indicates they are placing full efforts to inventory service lines on the utility side of water meters; private lines will follow.***

3. ***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. ***Refer to the following table:***

ACSA Operations	Unbilled Authorized Consumption (CF)	Miscellaneous	Real Loss (CF)
Water Office		Repairs to Transmission and/or Distribution Mains	
Dan E. French Reservoir		Water Tank Overflows due to Equipment Failures	
Ivanhoe		Private Water Service Line Leaks (adjustments)	
West Briar		Estimates of Water Theft via Hydrants (Filling Pools, irrigation, etc.)	
Ebenezer Rd Pump			
System Flushing		TOTAL	0 MG
Lost Water During Service Connection Installations			
Customer Meter Checks for Inaccuracies			
Water Tank Drainage for Maintenance			
Credits to Customers for Flushing due to Discolored Water			
Sheriff's Office			
Wright Shop Sheriff Sub Station			
Fire Department			
Lyttleton Ln Fire House			
Monelison Fire Station			
Monelison Fire Station 3			
Fire Fighting Activities Street Name (s)			
Rescue Squad			
Monelison			
Landfill Operations			
TOTAL	0.00 MG		

Mr. Hall mentioned he has consulted with Mr. Hopkins concerning Non-revenue water. There are other entities that must provide information such as the Amherst Landfill that uses beneficial non-revenue water to rinse mud from roads during rain activities, and fire department operations. In addition, the monthly financial report used to calculate the report is based on cash collected, not water consumed. For this reason, Hall is not able to provide a report at this time, and reports this is a work in process. Mr. Perrow mentioned a couple of things to consider: financial reports are cash basis, not reflecting what is billed. Semi-monthly meter reads are problematic in capturing a monthly consumption. He is encouraging this calculation to be simple. Perrow is not concerned with exact figures representing consumption by the fire department or the landfill to clean streets. He is more concerned with the gap between what we are getting paid for, and what we are not being paid for. This can be compared on a quarter to quarter basis or however its determined to get the semi-monthly meter reads to work. From this comparison, we can look at ways to whittle down the non-revenue water or at least understand the contribution to the fire department's worth. Mr. Perrow thinks we will be under more regulatory (VDH & DEQ) pressure in the future to reduce non-revenue water. Mr. Hopkins explained he has provided specific direction to Mr. Hall to capture what is unaccounted for, and determine leaks in the system. Accounting for the Public Safety consumption, water tank drainage, system flushing, etc. that is beneficial to us, will allow us to determine our leakage. Mr. Perrow agrees this information is beneficial and a greater detail than he is looking for at this time. He is looking for a starting point. Mr. Hopkins mentioned preliminary reports provided by Mr. Hall indicates 30 to 40 percent non-revenue water, which looks like we're asleep at the wheel. Mr. Perrow replied it doesn't make us look asleep at the wheel, instead provides a comparative analysis. He is looking for a quarterly or a biannual report.

4. ***EPA's Fifth Unregulated Contaminate Monitoring Rule (UCMR 5)***
   - ***On November 1, 2022, Executive Director Hopkins completed the nomination/delegation request to EPA for Assistant Director Hall to become a PWS user. Approval was granted; the following tasks were complete:***
     - ***Accepted nomination letter***
     - ***Review sample location inventory***
     - ***Add zip codes for associated customers in the service areas.***
     - ***Review monitoring schedule assigned by EPA.***
   - ***The inventory location is assigned and a certified UCMR 5 laboratory vendor has been selected.***
5. ***Permit Reissuance Application Submittal - Virginia Pollutant Discharge Elimination System (VPDES), Permit No. VA0063657, Ivanhoe Forest Subdivision Sewage Treatment Plant***
   - ***The renewal application has been submitted. ACSA received a letter form DEQ, November 28, 2022, indicating the submittal has been reviewed and appears to be complete.***
   - ***ACSA should receive a developed limitations and draft permit for review in the next 2 to 3 months.***

VII. New Business

A. ACSA Master Plan

Earlier in 2022, the ACSA Board tasked ACSA Executive Director Hopkins with preparation of a Request for Proposals (RFP) to be advertised for a Master Plan for the utility. To date, Hopkins has obtained copies of three similar RFPs, for utility master plan studies for Pittsylvania County, Smyth County, and the Town of Altavista, to use as templates and is reviewing them and working on a draft RFP.

This is Priority #3, after the January – June 2023 draft budget and the annual rates and fees benchmarking study. The budget must be finished and adopted first to prevent repeating problems that resulted from adoption of the 2022 budget at the end of January 2022. A draft budget has been forwarded to ACSA Board members and staff for review (see Agenda Item VII.B).

The benchmarking study must be completed next and sent to ACSA financial consultants Davenport & Co. for preparation of the annual Pro-Forma Cash Flow Update. Davenport will present that report and their recommendations for water and wastewater rates and fees adjustments at the April or May ACSA Board meeting, for Board adoption in time for the July 1, 2023 ACSA switch from a calendar year budget to a fiscal year budget and adoption of the FY2023-2024 ACSA budget. Hopkins completed the benchmarking study (see Agenda Item VII.C) and forwarded it to Davenport & Co.

The preliminary schedule and milestones for awarding the ACSA Master Plan contract are as follows:

1. ACSA staff research and preparation of a draft RFP by the end of January 2023.
   - 2/7/2023 Board meeting Completed draft RFP delivery to the Board for review

2. Two weeks for Board review and comment.
3. Two weeks for ACSA staff revisions to draft RFP to address Board comments.
   - 3/7/2023 Board meeting Draft RFP approval by Board; ACSA staff authorized to advertise.
4. Thirty days RFP advertisement, including two weekly published notices and three weeks' time after the second published notice for consultants to assemble project teams and prepare proposals.
   - 4/6/2023 RPF submittals due at the ACSA Water Office.
5. Twenty six days for the ACSA Board and staff to review the submitted proposals; schedule and complete interviews; score and rank consultants; and make a selection for recommendation of the contract award.
   - 5/2/2023 Board meeting Approval of contract award by Board.
6. Two weeks for contract execution, submittal of contract documents, etc.
   - 5/16/2023 Consultant to start work.
   - 6/6/2023 Board meeting First project status report by ACSA staff.

Mr. Hopkins mentioned Priority #3 needs to become Priority #4, the James River intake needs to be priority #3. The Budget has been updated to include funding to start the Master Plan.

B. ACSA Draft Budget, January – June, 2023

The ACSA Board decided earlier in 2022 to switch from the historic calendar year (January to December) budget to a fiscal year (June to July) budget on July 1, 2023, pending the new County financial software being operational and adequately communicating with ACSA Water Office financial software by then. This creates the need for a truncated six month budget for the first half of 2023.

As reported earlier, 2022 rates and fees will be maintained for this six month budget, traditional January adoption of rates and fees adjustments being postponed until July 1 to coincide with the budget period switch, a full twelve month budget, new County software interconnection, and other planned changes to ACSA finances, including new procedures and formats for the annual budget, monthly financial reports, etc. The annual rates and fees benchmarking study has been prepared, for presentation to the ACSA Board and forwarding to ACSA financial consultants Davenport & Co. for their preparation of the annual Pro-Forma Cash Flow Update and rates and fees adjustments recommendations at the April or May Board meeting.

A draft budget was emailed to Board members 11/15, with a request to review and comment for necessary changes as soon as is convenient, to effect adoption at the Board meeting on 12/6/2022 or no later than 1/4/2023. The attached budget draft has been revised since sending it out in accordance with a Board member comment that the ACSA Master Plan did not appear to be funded; it was inadvertently omitted, but has been added, with funding in the budget estimated to be sufficient for a mid-May start of work (see Agenda Item VII.A). The draft budget is continuing to be reviewed and revised by ACSA staff simultaneous with Board member review.

The budget draft is not a part of these meeting minutes and can be seen by request by contacting the Amherst County Service Authority Executive Director.

The Board had discussions concerning when the adoption of this draft budget must take place. It was mentioned the budget could always be amended if a problem occurs down the road. Martin asked if the ACSA budget requires a public hearing. County Attorney Lockaby replied a hearing is not required to adopt a budget but is required to set rates.

By motion of Board Member Woods, and with the following vote, the ACSA Board voted to adopt the presented draft ACSA budget for January thru June, 2023 and direct the ACSA Executive Director to see its implementation no later than January 4, 2023.

AYE:	Mr. Martin, Mr. Perrow, Mr. Pugh, Mr. Woods, Mr. Wade
NAY:	None
ABSTAIN:	None

C. ACSA 2022 Rates and Fees Benchmarking Study

Executive Director Hopkins provided in an agenda attachment, a letter, describing the results of ACSA's 2022 Rates and Fees Benchmarking Study. This study was executed by Davenport & Co., financial consultants. Hopkins is requesting the ACSA Board review the report in preparation for a future presentation by Davenport concerning their 2023 Pro-Forma Cash Flow Upadate and recommended rates and fees adjustments.

Hopkins explained water rates are between Bedford and Campbell, but much higher than the average. ACSA water rates are also higher than seven out of eleven utilities to be benchmarked which are about the same size as ACSA and higher than their average. Tap fees match Bedford and Campbell, but are higher than the average. Sewer rates are between Bedford and Campbell but are much higher than the average. Sewer tap fees are match Campbell but are less than Bedford. ACSA's availability fees are loer than both Bedford and Campbell and much lower than the average.

Martin asked how Campbell County is so much lower than ACSA's. Mr. Hopkins does not know the answer. Mr. Pugh mentioned the water bill for a family of four has become substaintial and we have to be congnizant of what citizens must pay. It was discussed that Campbell County must be receiving a subsidy to promote economic development purposes. Mr. Hopkins mentioned Mr. R.T. Taylor of Dvanport & Associates has provided preliminary rate increases between 5.9% and 6.9% for water and sewer to cover the cost of the tertiary water supply ($8M). Hopkins mentioned Campbell County Board of Supervisors pay for all commercial and inducstrial development and for small business connections. Bedford gets $1M a year for debt service.

Mr. Perrow said this is another reason for looking at non-revenue water. If ACSA is losing 30% of water produced, and not being paid for it, then it comes down to a decision of whether providing benifical water for someone else is ACSA's mission or should we stop doing it or ask them to pay for it. Mr. Martin reiterated the non-revenue water that Mr. Hall is looking to be a part of his report. Mr. Hopkins indicated all non-revenue water that Mr. Hall will be reporting on is beneficial to ACSA, the county and customers. Perrow finished up with "there is always non-revenue water... the question is how much is the percentage of your overall production." Martin is also interested in how much leakage there is also.

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

D. Miscellaneous Matters

1. ACSA Staff

Water Treatment Operator Taylor Berkley, with ACSA since July 2021, achieved Class I licensure in late November by passing the VA Dept. of Professional and Occupational Regulation examination. He has already begun studying for his Class IV Wastewater Treatment Operator license exam.

Mr. Hopkins reported that ACSA has three positions available for hire. A mechanic, supervisor, and a water operator.

2. ACSA Availability Fees Assessment

   At a joint meeting of the ACSA Board and County Board of Supervisors on November 15, a public hearing was conducted, after which the ACSA Board approved and the Supervisors adopted into the County Code changes to alter the assessment of new service availability fees to assessment by water meter size. This applies to both water and wastewater availability fees.

3. Sweet Briar College Water Emergency

   On November 16, the County Building Official (CBO) called the ACSA Executive Director (ED) to report that major leak(s) in the college water system, site(s) unknown, drained the system and prevented the Town from maintaining water and pressure to the college. The CBO requested any ACSA help possible, saying he and the County Public Safety Director were considering closing all college buildings if the situation was not rectified quickly. He asked if the interconnection of the ACSA and Town water systems could be activated. The ED offered any help ACSA could provide and suggested a possible alternate water supply route, if needed, thru an ACSA water main extended into the VA Center for the Creative Arts (VCCA) a few years ago. The next morning, in a conference call of the CBO, the ED, the Interim County Administrator, and the Town Manager, the Town Manager reported that the problem was worsened by problems at the Town water plant requiring it to be shut down for an indeterminate time. She requested ACSA staff to assist her staff at the systems interconnection point as soon as possible. ACSA had staff at the site in less than an hour. ACSA can supply the Town with water thru the Ebeneezer Rd. main by gravity; no pumping required. Unfortunately, the pipe to the interconnection (empty and unused for many years) required more time than expected to flush to provide water acceptable to the Town. At 3 pm, the ED met Town staff at the interconnection point and observed crystal clear ACSA water exiting the hydrant; but was told the Town water plant would be back online in an hour and the Town did not want ACSA water. In the meantime, the ACSA construction crew prepared to re-connect the VCCA water system to the college Friday morning, so ACSA could supply the college that way to facilitate locating the water leaks. That was put on hold pending word from the Town. Not hearing anything by 5 pm, the ED told ACSA staff to stand won. The ED heard that the Town re-activated its water plant at 4 am the next morning. ACSA staff worked professionally and expeditiously to assist the Town and the college try to resolve their problem and continues working with the CBO to provide ACSA assistance if necessary.

4. Verizon Cell Tower Lease

   During the past two years, the ACSA Executive Director has reported to the ACSA Board his work with Verizon staff to create a lease for a 250' tall cellular communications tower on ACSA property east of Elon. In October 2021, he proposed, pending ACSA Board approval, initial monthly rent of $2,000, with a two percent (2%) annual increase; this approximates an original lease between ACSA and New Cingular Wireless, LLC for a cell tower at the ACSA Prices Store Water Tank property, which lease was renewed in September 2021. It also approximates County policy for cell towers on County property. A site visit by Verizon staff and ACSA staff is scheduled for 1:00 pm, Wednesday, 12/7; a report will be provided at the 1/4/2023 ACSA Board meeting.

5. Unregulated Contaminant Monitoring RuleThe fifth phase of this rule (UCMR5) goes into effect 1/1/2023. ACSA's Assistant Director and Field Operations Supervisor registered ACSA with the U. S. Environmental Protection Agency and, after soliciting, receiving, and reviewing bids, engaged the same laboratory for this work that assisted with UCMR4. UCMR5 will primarily monitor perfluoralkyl and polyfluoralkyl substances (PFAs).

E. Gateway Sanitary Sewer Project Funding

The ACSA Board is being asked to attend a presentation by ACSA financial consultants

Davenport & Co., regarding status of funding alternatives for the Gateway Sanitary Sewer Project at the James River.

For over a year, ACSA has been working with County staff on a project along River Road to replace an aging and failing low pressure force main wastewater system with new infrastructure that will also facilitate development of vacant properties at the southern end of Amherst County. A viable project has been proposed and County Supervisors have appropriated $1M of Federal stimulus money to it. However, that funding was not sufficient during early planning and the project has grown substantially, requiring other funding to be added to the County contribution. ACSA staff, County staff, and ACSA's financial consultants have been working for the past several months on funding alternatives, and believe the best option has been determined. This presentation by Davenport & Co. will briefly describe the funding plan and will also be made to the Supervisors at their meeting later in the day.

A handout was provided to the Board by Davenport & Associates. A copy of this handout is not a part of these minutes, however, the handout is available by request by contacting ACSA's Executive Director.

Mr. R.T. Taylor from Davenport & Co began presenting. The normal fall presentation did not take place this year as usual due to ACSA transitioning from a June 30th fiscal year ending verses a typical June 30 fiscal year end, and the completion of the audit. He reiterated the model that this presentation is based off of is the model that was presented last year, in which the Board adopted scenario 3, 4.38% and 5.38% for water and sewer rates respectively. Additionally, what was $5M for the raw water intake is now $8M. Mr. Taylor mentioned ACSA could enter into interim financing while and application process is pursued for funding from various sources (USDA requires this). Martin asked if he is suggesting both the Gateway and raw water intake projects be financed? Taylor replied this financing could become interim financing for both to start the projects at the same time, and gain flexibility while other determining permanent funding solutions (whether through the county, state or federal via grant money). We may want to pay off the Gateway project ahead of doing the permanent funding on the raw water intake. For flexibility, ACSA may want to look at interim funding while going through an RFP process. The banks understand our process as they are going through their credit underwriting process.

Martin asked if Davenport has looked at the debt capacity of the Service Authority?

Taylor began presenting an overview:

If the development (Gateway) doesn't track the way the developer is projecting, there are no revenues available from the new development. What would the potential impact be? This will change depending on revenue sources and what the actual numbers are.

There are two key benchmarks to consider when providing a pro forma update each year. ACSA is legally required to maintain a debt service coverage ratio of a minimum of $1.15 for every $1.00 of debt service. In addition, ACSA must maintain a non-designated reserve of 50% of operating revenues. We might want to consider raising the reserve amount since we may dip below the minimum during the fiscal year.

Mr. Hopkins reminded the Board of a previous river bank stabilization project in which the estimated cost from the Corp of Engineers was low and ACSA was required to pay additional funds. This took the reserves down to 50.1 %. For this reason, Hopkins has a goal to maintain a reserve of 75% of operating expenses. Taylor explained this is a good example of how the policy worked.

Taylor continued with presenting the model built off of last year's implementation of a 4.38%

and 5.38% rate increase, a $5M raw water intake project, and a mandated $5M sewer pump station project. The raw water project has shot up $3M to a revised estimate of $8M. This alone would have changed last year's implementation to 5.9% and 6.9%. What he is attempting to show is how the increase of the raw water intake estimated cost is not immaterial but insurmountable. It also affects the Board level decision how to flow through potential rate increases. Just this increase in project cost alone jumps up roughly 150 basis points.

The most recent project is the Gateway sewer project, which has been calculated at roughly $3.5M on an interim basis with permanent financing to follow. Other funding may be identified to borrow less.

Davenport has been tasked with presenting the potential impact for user rates, alternative sources for revenues, and to develop a strategic plan of finance.

Mr. Taylor wants to key in on creating a Utility Service District:

"Provides the county flexibility for generating additional revenues to afford the new infrastructure. Keeps the general fund whole on collecting existing Ad Valorem on the real property in the Utility District, and potentially mitigates water and sewer rate increases across the broader system."

Taylor began discussing Goals and objectives by expressing his wish to key in on the second bullet in his presentation: "Discuss the benefits of Creating a Utility Service District." Taylor provided an example of another utility in New Kent County. They created a utility service district in which an additional special Ad Velorem (AV) is applied, just on the assessed values in that area, to tack on to the water and sewer bills. The county doesn't have to implement this, but has the flexibility of doing so. Another thought is to carve out a tax incremental financing district, however, this could hurt the County's general fund, since you are carving out just this district and only using those monies toward this district. In the presentation by Davenport, they are proposing that nothing is taking away from the general fund, just added to the assessed value in the AV district. Davenport's examples are showing the effects on water and sewer rates, level of county support and special AV tax revenues in this developed district.

Interim Financing for the Gateway Project is approximately for 2 to 3 years. The estimated useful life of the system is listed as 20 years only, reflecting the length of time banks will finance.

The Pro Forma analysis assumes the following costs: raw water intake - $8M, Gateway Sewer Project - $3.5M, Sewage Pump Station Improvements - $5M, for a total of $16.5M. The interest rate used is 5% on a 20 year debt.

Gateway Sewer Project: The developer provided a development schedule. The county has provided estimated revenues from the service area. Estimated operating expense is approx.. 55% of revenue. Assumed beneficial net revenue from the development for the debt. Service line is approx.45%. Taylor continued by presenting information provided by the contractor/developer concerning the number of units and lots. A value of $100,000 value is assumed for calculations. This allowed a calculation of the amount of tax revenues potentially generated from the Service District Ad Valorem Tax Revenue District.

Mr. Woods expressed concern due to the fact that a special district has never been proposed in Amherst that he is aware of.

Mr. Martin expressed concerns that either the Service Authority or the County will be taking a big risk. If the development does not occur and the infrastructure is put into place, we are out of luck and everyone will have to pay by raising rates.

Woods is also concerned that these projections are based on doubling the amount of these types of living units than typically happens in an entire year in Amherst County.

Mr. Taylor agrees that both the County and the Service Authority would be taking a risk if the development does not occur. However, if the development does occur, additional revenues will be generated. Taylor continued by presenting water and sewer rate increases to cover the new project, or initiate the AV district to cover the costs, and/or the County could appropriate additional funds to put toward the infrastructure. By initiating the AV district, the County could turn on the switch if the developer does not proceed as projected to recover some of the resources.

Mr. Hopkins expressed concern due to a 40-year high rate of inflation, materials have longer lead times, etc. These issues could result in developer delays.

Mr. Perrow expressed the need for the ACSA Board is to confirm their purpose. His prospective is that the Service Authority is not a risk taking entity. The Board's job is to provide water and sewer at the most reasonable rates to our customers. "We are service providers, we provide a service to the county, we provide a service to the communities. We are not an economic development generator; we service economic development." He feels if a risk is to be taken, it needs to be the County's risk with support of the Service Authority. He also mentioned it should be the developer's role to provide the infrastructure. The county could incentivize this to encourage the development.

Woods asked for further clarification. If the development stalls, and we have a large unplotted and recorded parcel, we will only get a tax assessment for only one piece of property. We may not be getting what we are expecting. Taylor indicated this model is only based on a schedule provided and does not take into account for delays.

Mr. Martin does not see the County creating a utility district.

Martin mentioned the County has already provided $1M to the Service Authority for this project. There is discussion that another million, already allocated to the Service Authority could be used for this project. Mr. Hopkins explained the previously allocated funding is for a project already underway to install sewer pump stations. Money has already been spent toward this project.

Martin further explained we are looking to finance only $2.5 million, but the other concern is the other 13 million needed for new raw water intake and sewer improvement project. Taylor explained the other projects have been in the Pro Forma for years, the recent updated costs to $8M for the raw water has been updated.

Taylor finished up by saying, Davenport is trying to understand if the project is moving forward and they can begin surveying the banks. Should they pursue interim financing to allow the developer to move forward.

Perrow recommended a future revenue plan with the Service Authority in which the County will consider using the additional revenue from these developments and apply these to the debt service.

Martin reiterated at least part of the ACSA Board is happy to provide the development water and treat the sewer from it, but is not interested in building the line to promote the development. Perrow, Pugh, Wade, and Woods agree. Woods reiterated the district would be created but eh County would not receive any additional revenue from it.

Mr. Taylor plans to make a presentation to the Amherst County Supervisor Board meeting following this Board meeting.

There were no other Board comments.

VIII. Citizen Comment

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

There were no citizens wishing to speak; Mr. Martin closed Citizen comment.

IX. Matters from the Members of the Service Authority Board

Board Chair Martin had nothing further to discuss.
Board Assistant Chair Perrow had nothing further to discuss.
Board Member Pugh had nothing further to discuss.
Board Member Wade had nothing further to discuss.
Board Member Woods had nothing further to discuss.

X. Adjournment

Board Chair Martin declared that the Board meeting stands adjourned
at 2:52 p.m.

Tom Martin, ACSA Board Chair

Robert A. Hopkins, PE, Board Secretary