



**AMHERST COUNTY SERVICE AUTHORITY BOARD
MEETING MINUTES (Amended)**

AGENDA

February 7, 2023

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. Agenda for February 7, 2023 ACSA Board Meeting
- IV. Approval of Minutes**
 - A. Draft Minutes for January 3, 2023 ACSA Board Meeting
- V. Monthly Financial Report**
 - A. ACSA Financial Report December 2022
- VI. Old Business**
 - A. Executive Director's Report
 - B. Assistant Director's Report
- VII. New Business**
 - A. James River Raw Water Intake Project Funding Update
 - B. ACSA Availability Fees
 - C. ACSA Request for Proposals – James River Raw Water Intake Engineering Services
 - D. ACSA Request for Proposals – ACSA Master Plan, Scope of Services
 - E. Appropriation: 2022 Workers Compensation Insurance Premium
 - F. Appropriation Request: May Tract Land Purchase
 - G. 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 7th day of February, 2023, starting at 1:30 p.m., the following members were present:

SERVICE AUTHORITY (ACSA) BOARD:

PRESENT: Edgar J.T. Perrow, Jr., Board Chair
Wesley Woods, Board Vice Chair
Tom Martin, Board Member
David Pugh, Board Member
Drew Wade, Board Member

STAFF:

PRESENT: Robert A. Hopkins, PE, Executive Director/Board Secretary
Richard Hall, Assistant Director
Michael Lockaby, Amherst County Attorney

I. Call to Order

Board Chair Perrow called the meeting to order at 1:30 pm.

II. Citizen Comment

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

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

III. Approval of Agenda

Executive Director Hopkins specified proposed changes to the agenda: 1) change Section VII A. to James River Raw Water Intake Funding Update (removing discussions involving the Gateway Sanitary Sewer Project Funding); 2) change Section VII F. to Appropriation Request: May Tract Land Purchase.

By motion of Board Member Martin, and with the following vote, the ACSA Board voted to amend the meeting agenda for February 7, 2023 to reflect the requested changes proposed by Mr. Hopkins.

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

IV. Approval of Minutes

A. ACSA Board Meeting – January 3, 2023

By motion of Mr. Pugh, and with the following vote, the ACSA Board voted to approve the draft minutes for the January 3, 2023, ACSA Board meeting:

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

V. Monthly Financial Report:

A. December, 2022 Financial Report

Mr. Hopkins compared ACSA finances for December 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) - \$66,785.24 (- 1.97%) vs. 2021

Total revenues + \$ 6,489.73 (+ 0.17%) vs. 2021

b. Connections:

Thru October, 45 new water service connections (4 in December):

1.02% of 2021 total (44, an increase of 9 from 2020)

121.6% of 5 year annual average (37.0, an increase of 8.8 from 2020)

69.2% of pre-recession annual average (65)

Tap fees: - \$ 16,990.00 (- 7.43%) vs. 2021

2. ACSA Operations Revenues – Wastewater

a. Revenues:

Sales (top line & boxed are of Section I.B) +\$ 44,869.31 (+5.46%) vs. 2021

Total revenues + \$ 11,129.94 (+ 1.18%) vs. 2021

b. Connections:

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

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: - \$ 52,680.00 (- 46.30%) vs. 2021

3. ACSA Operational Revenues – Water and Wastewater

a. Sales: - \$ 21,915.93 (- 0.51%) vs. 2021

b. Total Revenues: + \$35,682.67 (+ 0.74%) vs. 2021

4. Non-Operational Revenues - \$256,598.41 (- 83.29%) vs. 2021

5. Total ACSA Revenues - \$220,915.74 (- 4.33%) vs. 2021

6. Summary:

December water sales increased \$22,227.11 (9.39%) from November, but are down for the year (-\$66,785.24, -1.97%) compared to 2021. Total water revenues for 2022 are \$6,489.73 (0.17%) better than 2021.

ACSA had 4 new water service connections in December, bringing the total for the year to 45, one more than 2021. Tap fees are lower (-16,990.00, -7.43%) than for 2021.

December wastewater sales decreased \$25,991.38 (30.68%) from November. Total sales for 2022 compared to 2021 are up \$44,869.31(+5.46%). Total wastewater revenues for 2022 are \$11,129.94 (+5.46%). Total wastewater revenues for 2022 are \$11,129.94 (+1.18% better than 2021.

There were 0 new wastewater service connections in December. Tap fees for 2022 are down \$52,680.00 (46.30%) compared to 2021.

Combined water and wastewater sales are down \$21,915.93 (-0.51%) compared to 2021. Total operational revenues for 2022 are up \$35,682.67 (0.74%) compared 2021. Non-operational revenues are down \$256,598.41 (-83.29%) from 2021, resulting in total ACSA revenues for 2022 being down \$220,915.74 (4.33%) from 2021.

ACSA received \$812.00 in December from the State Debt Setoff Program to defray unpaid and uncollectable utility account balances, bringing the total in 2022 to \$22,485.40. This exceeds bad debt set-off for 2022 reported at the November Board meeting.

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

	<u>2017</u>	<u>2022</u>	<u>Change</u>
No. of business water connections	419	425	+6
No. of residential water connections	5,574	6,024	+450
No. of total water connections	5,993	6,449	+456 **
No. of business sewer connections	200	204	+4
No. of residential sewer connections	818	912	+94
No. of total sewer connections	1,018	1,128	+98 ***

** An average annual increase of 91.2 connections.

*** An average annual increase of 19.6 connections.

Executive Director Hopkins related revenue declines with outstanding bill payments (\$172K thru the end of December 31, 2022); it appears water consumption is reverting back to pre-pandemic. Board Chair Perrow said he would like to see ACSA reporting change from cash accounting to accrual accounting for the upcoming new fiscal year. Also, Mr. Perrow said he would like to see water consumption trends after 2020, realizing COVID could skew the numbers.

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; work can start when ready.
- 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.

Sen. Kaine's office emailed Hopkins 12/22 that ACSA's CDS funding request is in the Congress-approved budget and awaits the President's signature.

- 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.
- 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.
 - * 5 of 6 required easements have been obtained and recorded. **The softball assoc. easement is agreed; awaiting the board chair to come by the Water Office for signature and notarization.**
 - * **Construction bids advertisement expected in January for a construction start in April.**
 - Sewage Lift/Pump Station Upgrades
 - * 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.
 - * **The additional 300' of water main installation is approved by CVTC; Hopkins is working on the easement plat approval. Construction is expected to be completed in February 2023.**
 - * The sidewalk reconstruction was expected to be completed in January, but recent wet weather caused trench backfill compaction issues from the water main installation which must be corrected by ACSA and may delay the work. **ACSA is more than half done replacing soil backfill with stone; the sidewalk contractor is scheduling his work to coincide with ACSA's work.**
 - * The first reimbursement request from the \$250,000 State funding, for \$11,710.00 was received in June. The second, for \$41,196.87, was paid in August. The third, for \$39,481.70, was paid in November. **The fourth, for \$15,822.40, was paid in January. The fifth reimbursement request should be made in February for pipe trench backfill replacement and sidewalk reconstruction. Remaining State funding will be reimbursed for ACSA labor and equipment costs in what should be the sixth / final reimbursement request in March.**
 - 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 December to the end of January are attached. Hurt & Proffitt estimates the project to be 87% complete; the contractor expects to finish in March, if the rain allows.***
- * ***Stone revetment work on the property across Graham Creek from the end of the spillway is finished. Hopkins has emailed the owners for inspection and comments.***
- * ***ACSA will apply for the \$250,000 grant reimbursement from the VA Department of Conservation and Recreation in April, after the project is finished..***

Aerial photos are not a part of these meeting minutes but are available by request to the Executive Director.

- Berkshire Place Sanitary Sewer Extension:

- * ***At the request of Habitat for Humanity, Hopkins made a last request for the sewer easement from the first property owner in January and was denied. Hopkins informed Debbie Habel, HforH, in January the project will not proceed. This item will be deleted from this report.***

- West Vail Court Sanitary Sewer Extension:

- * Hopkins is working on acquiring the necessary easement from the adjacent property owner. That owner is waiting on progress on his plans for developing that property before deciding to grant the easement. ***At the request of the W. Vail Ct. property owner and ACSA Board member Wesley Woods, Hopkins contacted the adjacent property owner directly, met him at the site, reviewed his site plan again when it was submitted, convinced him that the sewer easement will not affect his development in any way, and expects to get the easement in February.***
- * ***Advertisement for construction bids will proceed when the easement is recorded. Construction should commence in April, and be finished summer 2013.***

Mr. Hopkins reported the design is complete. A meeting is scheduled next week to discuss finalizing required easements.

- 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 owners on the preferred locations on the south and north sides of River Rd for the pump station. Both owners may be willing to sell a portion of the land.
- * ***ACSA, County staff, and financial consultants Davenport & Co. and Sands-Anderson are working on ways to fund the project. Options discussed to date include ad ACSA revenue bond, a USDA grant, a DEQ grant, use of Tax Increment Financing (TIF), and County establishment of a Special Tax District (STD), or some combination of the above.***

- * **Davenport reported at the 1/17 Supervisors meeting about 7 responses to the bank funding RFP; Webster is the initial preferred choice. Sands-Anderson drafted documents for a \$10M ACSA revenue bond for this project (\$2.5M) and ACSA's James River Raw Water Intake Project (\$7.5M). Davenport will present to the ACSA Board (see Agenda Section VII A) and Supervisors today for a decision to be made whether one or both will be included in the RFP selection. The Supervisor, in their last two meetings, claimed responsibility for the Gateway project debt service, though the infrastructure will be owned by ACSA. The intake project is ACSA's financial responsibility.**
- Ned Brown Road Water Main Extensions
 - * 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; only the public road crossing needing VDOT approval remains to be finished. **Project completion is expected in March.**
- Monacan Indian Nation Projects Water Main and Sanitary Sewer Extensions
 - * **ACSA should finish the water main extensions in March.**
 - * Hopkins is working with the clinic contractor on the fire vault procurement and installation.
 - * The sanitary sewer installation began in November, but was quickly postponed because the roof trusses for the medical clinic were stockpiled in a location obstructing the sewer installation. **Hopkins unsuccessfully worked with the contractor and MIN to get the trusses relocated. MIN instead will get a contractor to do the work, with H&P inspection, in February if rain stops.**
- Amherst Senior Center
 - * **Discussions regarding funding the sanitary sewer installation are continuing (see above).**
- Seminole Plaza Shopping Center – 2022 Sanitary Sewer Overflow Complaints
 - * 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 has tentatively scheduled several meetings, but has been unable to get all requested attendees to commit.**
 - * **In late January, Hopkins received a letter from shopping center owners attorneys Gentry-Locke refuting responsibility for the sewers, but stating willingness to occasionally address overflows. Hopkins replied, after County Attorney Popovich approved the draft. See the attachments.**

The attached letter from Gentry-Locke is not a part of these meeting minutes, but is available by request to the Executive Director.

The reply letter from Mr. Hopkins to Mr. Kevin Holt, Gentry Locke Attorneys, is not a part of these meeting minutes, but is available by request to the Executive Director.

The ACSA Board directed Mr. Hopkins to continue the pursuit of a meeting with regulatory representatives. It is preferable that this meeting take place at a regularly scheduled Board Meeting.

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. The annual benchmarking of rates and fees was completed 11/18/2022, presented to the ACSA Board at its December meeting and sent to financial consultants Davenport & Co. for preparation of the 2023 Pro-Forma Cash Flow Update and recommended rates and fees adjustments for FY2023.
 - * 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. ***Section VII.B of this agenda will provide a report to the ACSA Board indicating that water and wastewater availability fees for commercial and industrial development projects have dramatically increased with the change to fees assessment by water meter size and the ACSA Board may wish to revisit this, since one of the goals of the change was to reduce the fees in order to promote County economic growth and development.***
 - * A draft budget for the first six months of 2023 was adopted by the ACSA Board at its December meeting and forwarded to the County Finance Department for implementation.
 - 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.

-Unregulated Contaminant Monitoring Rule, Phase 5

*** ACSA is preparing for the initiation of UCMR5, with sampling to begin in October. ACSA solicited proposals from laboratories, but only got one response, from MicroBac. The UCMR4 lab, Eurofins, did not respond, and the other lab ACSA has worked with on other issues, Pace Laboratories, is not certified for this kind of testing.**

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 to research an agreement.

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. Utility Billing

- As previously mentioned, 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.
- ACSA has reached out to 2 potential sources to eliminate post card billings.
 - 1. Cost of envelope billings present an increase from post card billings. ACSA is waiting on all cost proposals for this service.**
- **Other Opportunities being explored:**
 - 1. E-checks**
 - 2. Text to pay**
- **In an effort to counteract cost increase of post card billings, ACSA met with InvoiceCloud, virtually, January 24, 2023. -additional information to follow.**
 - 1. Additional electronic notices.**
 - 2. Link to pay in the emailed invoice**
 - 3. Additional customer use of electronic billing to reduce paper billing.**
- **Postage costs have reverted, indicating customers that received electronic, emailed bills have requested paper billings to be mailed!**

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 are 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.
- 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.
- Executive Director Hopkins and Assistant Director Hall discussed a schedule to perform physical verifications with ACSA Operations Manager on December 16, 2022. Progress reports to follow.
- ***1/20/2023, Assistant Director Hall met with CCUSA to discuss in detail, their strategy to accomplish LCCR Inventory. CCSUA utilizes ArcGIS, a software that maps information via geographical data points. Data is***

- ***loaded via a full-time staff member who is a certified GISP (Geographic Information System Professional), in addition to utilizing a professional services vendor (GeoDecisions). For on-site leg work, they've re-hired a retiree. CCUSA has been notified of a grant ward via LEAP (Lead Elimination Assistance Program) (\$152K).***
- ***Assistant Director Hall also obtained information of BRWA's plan to address LCCR. They have contracted with a consultant. CHA Consulting will be completing Bedford's survey via community records research. This method may result in a considerable number of unknowns, but they will meet the EPA deadline reporting requirements. Afterwards meeting the inventory deadline, they will rely on a replacement schedule to maintain compliance. BRWA has been notified of a grant ward via LEAP (Lead Elimination Assistance Program). (\$60K).***
- ***ACSA has been in touch with Tamara Anderson, Project Manager Financial and Construction Assistance Program, (FCAP) Virginia Department of Health - Office of Drinking Water for funding application discussions, an application requirement for LEAP. Schedule for this meeting is forthcoming.***
- ***ACSA crew has is actively inspecting meter setter connections in book #1 (Old Madison area) for inventory observation / reporting.***

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.

- Assistant Director Hall touched base with the Amherst Public Safety and Public Works Directors concerning non-revenue water on December 7, 2023, both of which committed to tracking their use of beneficial non-revenue water. Additional information to follow.

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. (Microbac Laboratories, Inc. contacted ACSA on December 15, 2022, concerning sampling kits and informed that the first round of sampling is not until October, 2023.)

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 from 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.
- Draft Permit for Review - Ivanhoe Forest Subdivision STP, #VA0063657, was received from DEQ on December 12, 2022 for review.
- **ACSA submitted review comments / questions concerning Draft Permit for Review to DEQ, January 13, 2023.**
- **January 17, 2023, DEQ responded to ACSA comments and questions. One notable specific response - Influent monitoring is a new EPA requirement for BOD (Biological Oxygen Command) and TSS (Total Suspended Solids).**

6. Inventory Management

Excerpted from BrownEdwards' COMMENTS ON INTERNAL CONTROL AND OTHER SUGGESTIONS FOR YOUR CONSIDERATION, December 31, 2021:

"Work Order System"

A work order system, which would allow for tracking of employee time, supplies pulled from inventory, and the assignment of supplies and materials purchased for the project would allow for such tracking. Systems allow for the tracking of individuals, the supplies they use, and the time spent on the project to provide a complete accounting for the cost. Such a system would also allow for an accurate inventory of what the Authority has on hand in material and supplies and could be used to help with determinations on how often to order supplies and materials, track supplies and material usage, and provide an easy historical listing of how often parts of the system are needing repairs without a lot of manual effort to do so."

"Inventory Management (Material Weakness)"

During our inventory testing and observation, we did note improvements in tracking inventory usage and balances. However, during our observation, we noted inventory on hand that had not been utilized for several years, inventory items and storage shelving that was incorrectly labeled, and inventory that was on hand but not included in the year end inventory listing. These conditions could lead to improper identification of items in inventory counts, inventory on-hand that is obsolete and will not be used, and make it more difficult to ensure only necessary levels of inventory are maintained. We recommend that management evaluate whether inventory on hand is truly usable and put procedures in place to evaluate potential obsolescence. Items that are truly no longer usable should be properly disposed of. We also recommend that all inventory storage areas are properly labeled and items are stored where labeled. We further recommend that management review all cost amounts in the system to verify that items are valued at the cost invoiced to the Authority."

*** Please refer to the attached email from Assistant Director Hall to ACSA**

Executive Director and staff, regarding BrownEdwards' on-site inventory observation, January 12, 2023

The attached email referenced in the previous note is not a part of these meeting minutes, however, can be obtained via request of the Executive Director.

Mr. Perrow asked what's ACSA's water meter replacement schedule. Meters are replaced every 15 years. Mr. Perrow followed up by asking if we should change our current meter order to AMI (Advanced Meter Infrastructure) ready meters. Mr. Hopkins explained ACSA has ordered drive by radio read meters for route 130 and other hazardous areas. These meters can be converted to AMI. Mr. Hopkins intends to spend approx. Has initiated and plans to spend \$50K per year for a 20-year program to replace all read meters to in ACSA's system to radio read. Transmitters and other components for AMI meters are exorbitant, however, the drive by, radio read (AMR – Automatic Meter Reading device) that can be converted to AMI is an interim step to an AMI system.

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

VI. New Business

A. James River Raw Water Intake Project Funding

ACSA is preparing to begin a capital project – the James River Raw Water Intake, and needs to finance the project. The James River Raw Water Intake has been in ACSA plans since 2010, when it became a requirement in ACSA's raw water withdrawal permit from DEQ. It must be complete and operational by May 7, 2025. ACSA has been including future funding of this project in annual rates and fees increases and budget since 2015 and expected that project funding has been taken care of, until inflation and construction costs increases in the past two years resulted in projections of higher project costs, to \$7,500,000. ACSA financial reserves and future revenue are sufficient repay the debt service proposed to be engaged for the project.

ACSA staff, County staff, and financial advisors (Davenport & Co.) and bond attorneys (Sands-Anderson) for both governmental entities have been working on funding alternatives for the two projects for several months. R.T. Taylor, Vice President, presented to the ACSA Board and the County Supervisors at their individual January 3 meetings on the results of a Request for Proposals from lending agencies, provided the Supervisors and update in their January 17 meeting, and is back today to present to the ACSA Board at this meeting and the County Supervisors at their following meeting to provide the latest status updates, a recommendation on selection of a lender, and to ask for final approval and execution by both Boards of the attached resolutions and financial documents.

Mr. Woods asked if cost saving measures for the design and construction of the raw water intake were considered. Mr. Hopkins replied the time to do this is after an Engineering Firm has been selected and is on board.

Attachments: VII.A Davenport Presentation; Resolution-Series A BAN, final; Support Agreement- Series A Note, final; Series A Note Final; Finance Agreement, final; Resolution-Series BAN, final; Support Agreement -Series N Note, final; and Series B Note, final are not provided in these meeting minutes. Copies can be made available via request of the ACSA's Executive Director.

Mr. R.T. Taylor, Davenport & Co. presented to get Board approval through adoption of Resolution 2023-A-0002-R for the Raw Water Intake, and approval of bid documents to proceed with short-term, interim financing (permanent long-term financing will take place at a later date; the interim financing is to get the project started, keep permitting current, project schedule on track, and will

allow final costs to be known to eliminate over borrowing). Proposal/bids were received from eight different banks. Interim financing can stay in place for up to three years. Webster Bank is the low bid with a fixed rate of 3.76%, allowing the ability to prepay in whole or in part, after a 12-month period, and there is no penalty at payoff.

Mr. Pugh asked where the money comes from. It was explained that this project is built into the Pro-Forma, setting ACSA rates to cover projects. Mr. Taylor said the money will be deposited into the Virginia State Non-Arbitrage Program, which is currently earning roughly 4.75% (equating to \$350K interest earnings, depending how money is drawn down.)

Mr. Hopkins requested that Mr. Taylor discuss ACSA's estimated water and sewer rate increases to cover the project. Mr. Taylor presented a potential adjusted baseline for a water increase of 5.9% for water and 6.9% for sewer.

Mr. Pugh asked for the length of the note. The interim note is for three years; the long term financing is for twenty years.

Mr. Martin reiterated the reason for the Raw Water Intake Project (DEQ mandated project). He asked who would support the potential Gateway sewer project? The response is the Service Authority enters in the debt service for the Gateway Project, however, Amherst County will adopt a support agreement, being responsible for backing the note. Pugh and Hopkins noted that the County Supervisors previously agreed to fund it. Invoices for the Gateway Project will be received by ACSA and forwarded to the County. There were additional discussions about how Amherst may support the Gateway project for future considerations.

Mr. Perrow asked if Webster Bank will honor the same terms and conditions if the Gateway Sanitary Sewer were to advance. The reply from Mr. Taylor indicated a completely separate note would have to be papered, and the rates may change according to fluctuating market conditions, but Webster will honor the same terms and conditions.

Mr. Pugh requested Mr. Hopkins to provide a brief synopsis of the raw water intake project and why it must be done. Mr. Hopkins explained that in the drought of the early 2020's, ACSA installed a temporary emergency raw water intake. Following this, the previous ACSA Director requested that DEQ include conditions in the 2010 raw water withdrawal permit renewal for a permanent tertiary water source and a concrete impoundment dam at Harris Creek. DEQ approved this permit with the requirement that the raw water intake be complete and operational by May 7, 2025.

By motion of Mr. Wade, and with the following vote, the ACSA Board voted to approve Resolution 2023-A-0002-R, a Resolution of the Board of Directors of Amherst County Service Authority, approving issuance of a water and sewer system revenue bond anticipation note, in a principal amount not to exceed \$7,500,000, and providing for the form, details and payment thereof. Further detail in the resolution, add the proposal was dated January 12, 2023, from Webster Bank, the designated lender, at a rate of 3.76%.

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

B. ACSA Availability Fees

In November 2022, the ACSA Board changed the way water and wastewater availability fees

are assessed. Historically, ACSA calculated the fees based on reasonable estimates of average daily water usage; the County Code was changed in November to base the fees on water meter size. Almost every commercial and industrial site plan reviewed by ACSA staff since the change has seen a substantial increase in the fees:

Development	Total Water and Wastewater Availability Fees	
	Based on Estimated Average Daily Water Usage	Based on Water Meter Size
Johnson Health Center	\$21,665 *	\$ 60,000
Cookout Restaurant	\$40,910 **	\$ 60,000
Dunkin Donuts Restaurant	\$16,365 **	\$ 60,000
Amelon Commerce Ctr., Lot 6	Unknown ***	\$120,000
Monacan Indian Nation Medical Clinic	\$250,910 ****	\$120,000

* Because the applicant was provided this figure during site plan review, before the Code change, which figure the applicant has used in developing project funding, and the change was not yet reflected in the County web site, the applicant paid this figure in December.

** Because the applicant was provided this figure during site plan review, before the Code change, which figure the applicant has used in developing project funding, and the change was not yet reflected in the County web site, the applicant paid this figure in January.

*** The project is a speculation building, with 4 – 5 units that will be leased to as yet unknown businesses with unknown water demands.

**** This is based on 9,200 gallons estimated average daily water usage, which ACSA debated with the MIN engineer as unreasonably high. He replied that the requested 3" water meter is based on their plumber's citation of a maximum peak flow of 128 gallons per minute, which required a 3" meter. It is expected that their actual daily water usage will be much lower (refer to Johnson Health Center, a similar project).

During the 2019 site plan review process for the new Biscuitville restaurant in Madison Heights, ACSA staff learned that 2" meters are now "corporate policy" for an increasing number of regional and national commercial and industrial applicants, whether the anticipated actual water usage merits them or not, to address difficulties of getting adequate water flow and pressure in some areas. Another issue is use of certain modern, high tech, plumbing fixtures requiring high instantaneous water flows (see Monacan Indian Nation Medical Clinic above); larger meters are not warranted by the volume of water used each day, but are needed for these peak flows. The result of this is that the new mode of assessing ACSA water and wastewater availability fees is creating substantially higher fees than would otherwise have been assessed. Since one reason for the change was to reduce the fees, save developers money, and promote County economic growth and development, it was thought that the ACSA Board might want to revisit this topic.

Mr. Hopkins explained that the new way of accessing availability fees by water meter size has resulted in an increase to developers by nearly 300%. Low consumption specialized instantaneous plumbing fixtures are driving the required larger meter sizes to accommodate flows. Mr. Hopkins has honored his original estimates as long as developers pay the original estimated fees before the changes are posted to the County Code. Mr. Hopkins recommends that the County Code be changed to state availability fees will be calculated according to flow and meter size and allow the developer to choose which way he wants to go.

Mr. Martin will need additional information to make changes. He will want to know where the drastic mistakes were made. Mr. Woods understood changes were simplified and inline to what developers would expect to pay. There was a comparison to Bedford County's fees and one to the City of Lynchburg.

Mr. Perrow asked if Mr. Hopkins if he wants to be in a race to the bottom and be the cheapest around, that can't afford to repair infrastructure. Mr. Hopkins replied he wants ACSA fees to be slightly lower than our competing neighbors to promote investments in the County. Mr. Perrow thinks ACSA should invest in our infrastructure to make sure we maintain services we have in the area and be attractive for future business and have the ability to expand to meet future industrial needs. Mr. Perrow reflected on the tremendous growth of the Route 29 corridor and the pressure to develop across from the City of Lynchburg. The fees associated with larger meter sizes, however, rates for smaller meters are advantageous for the regular customer. The meter sizes for commercial uses are based on choice. Mr. Wade asked if the original estimates were based on meter size. Mr. Hopkins replied the calculations were based on estimated daily water usage. Mr. Pugh reiterated the changes provided a simplistic approach. It was suggested that this item be tracked and presented yearly to the Board for review.

C. ACSA Request For Proposals – James River Raw Water Intake Engineering Services

The ACSA Board is being asked to approve the attached draft Request for Proposals and direct the ACSA Executive Director to proceed to advertise it and organize a Selection Committee to review the proposals.

Attachment: VII.C Amherst County Service Authority Request for Proposals (RFP) Professional Engineering Services, James River Raw Water Intake is not a part of these meeting minutes, however, is available via request to ACSA's Executive Director.

It was decided the Board already approved proceeding with the project and no Board action is required. Mr. Wade recommended striking out any language referencing previous estimates (on page 7, paragraph I of the RFP)

By consensus of all Board members, Mr. Hopkins was directed to proceed.

D. ACSA Request for Proposals – ACSA Master Plan, Scope of Services

The ACSA Board requested in 2022 that ACSA staff prepare a request for proposals for engineering services for a utility-wide master plan to look at all aspects of ACSA and determine where improvements and changes might be worth implementing to make ACSA a better, more responsive agency. ACSA staff is working on a draft RFP and is presenting to the ACSA Board for review, comment, and suggested changes a proposed scope of service to be performed by the selected consultant. A revised draft will be presented to the ACSA Board at their March 7, 2023 meeting. No Board action is required at this time.

Attachment: VII. D. ACSA Master Plan Engineering Services RFP, Draft Scope of Work is not a part of these meeting minutes, however, is available via request to ACSA's Executive Director.

Mr. Hopkins requested that the ACSA Board review the ACSA Master Plan Scope of Services, and provide comments. It was decided the Board will review the RFP and provide any comments by the end of the week. Mr. Martin asked that Mr. Hopkins provide an email reminder to the Board for this task.

E. Appropriation: 2022 Workers Compensation Insurance Premium

ACSA received a January 13 email from the County Finance Depart. (see attachment) about an unpaid 2022 workers compensation insurance bill. The bill needs to be paid to ensure

continued ACSA staff benefits and protection, but the 2022 budget year is over and the current budget for the first six months of 2023 does not include funding to pay it. ACSA staff is requesting the Board appropriate \$20,000 from ACSA financial reserves to pay a 2022 workers compensation insurance premium that was not billed to ACSA in 2022.

Mr. Hopkins explained this bill was never forwarded to ACSA by the County Finance Department in 2022. The budget year 2022 is closed out. An appropriation is being requested to move funds from reserves to pay the bill that was not received in 2022.

By motion of Mr. Woods, and with the following vote, the ACSA Board voted to appropriate \$20,000 from ACSA financial reserves to pay a 2022 workers compensation insurance premium that was not billed to ACSA in 2022:

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

F. Appropriation: May Land Tract Purchase

The ACSA Board is being asked to appropriate \$30,000 from financial reserves to pay for land the Board approved for purchase in the 2022 budget year. The current budget for the first six months of 2023 does not include funding to pay for it.

Mr. Hopkins explained that following the previous approval last November to purchase land near the reservoir, an appropriation was drafted, but never brought before the Board. He is asking for this appropriation to cover the current budget shortfall.

By motion of Mr. Martin, and with the following vote, the ACSA Board voted to appropriate \$30,000 from unobligated reserves to fund the purchase of the land adjacent to the reservoir.

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

G. Miscellaneous Matters

1. 2021 Water Fluoridation Quality Award

ACSA received in January an award from the U. S. Dept. of Health and Human Services, Centers for Disease Control and Prevention, for "providing high quality in water fluoridation for 12 consecutive months in 2021, representing a high level of operator care and accomplishment." This is the third such award ACSA has received, having previously achieved it in 2015 and 2016.

2. Cedar Gate Road Water Main Extension

At the June, 2022 ACSA Board meeting, Executive Director Hopkins presented his recommendations for water main extensions to facilitate and improve the ACSA public water distribution system and to promote economic growth and development. His top three priorities are under construction and expected to be completed in the first quarter of 2023. Priority #5 is extensions of dead end water mains along Cedar Gate Rd. in Elon and Winesap Rd. to a connection where the two roads meet. Connecting them would improve system performance and water flows and pressures, eliminate the need for a water storage tank in Elon, and promote economic growth and development in this area.

Hopkins has been discussing the project with Mr. Herb Hicks of the Monacan Indian Nation Council. MIN purchased in 2020 1,400 acres along Laurel Cliff Farm Rd. with the intention of developing the land and prefers to use public water rather than private wells. Hopkins' planned Cedar Gate Rd. water main extension is more than halfway to the MIN property. He is talking to Mr. Hicks about a joint project funded by MIN (permitting, design, and materials) and constructed by ACSA (labor and equipment). Mr. Hicks requested a meeting this month to further develop the potential project.

Mr. Hopkins is informing the Board of an upcoming meeting to discuss this possible project, and is inviting anyone from the Board that would like to attend.

3. ACSA Staff:

- ACSA Water Treatment Operator Michael Tolgyesi, with ACSA since December 2021, achieved his Class III license from the VA Dept. of Professional and Occupational Regulation in January.
- Retirement of Operations Manager Glenn Micklem

Mr. Micklem will retire at the end of this month from ACSA after providing 47 years, 8 months of service, including 23 as Operations Manager.

ACSA staff proposes payment by ACSA of the \$1,840 permit fee for Mr. Micklem's campground in 2023 as his retirement gift from ACSA and requests approval of an ACSA Board motion and direction to the Executive Director Hopkins to proceed, with the money being funded from the existing Board-approved budget for the first six months of 2023.

Mr. Perrow is not comfortable discussing retirement packages in an open session, and asked there is a discretionary funding allowance that will cover this? Mr. Hopkins replied everything in the budget is slightly over funded and he can find a way to pay for it.

Hopkins is working on a Commemorative Resolution to be approved by the ACSA Board for reading at the 3/7 Board of Supervisors meeting, to afford Mr. Micklem appropriate recognition for such length of service to ACSA and its customers and Amherst County and its citizens.

The Board approved of the concept of recognition to be presented at a Board of Supervisors meeting, if the BOS Chair will approve this and all will try to attend. Mr. Hopkins was asked to remind the Board when this will take place.

Mr. Hopkins also invited the Board to attend a retirement luncheon for Mr. Micklem to be held on February 22, 2023, at 1:00 pm.

Mr. Hopkins asked Mr. Lockaby, County Attorney, if he could proceed with the campground permit fee as a retirement gift to Mr. Micklem. Mr. Lockaby advised that if it is within the budgetary authority, he could proceed. The Board could go into closed session under Section 2.2 37 11 A1 to discuss if the Board would like to do so. It is his experience this should fall under the Executive Director's authority, if the person is comfortable sharing their status as a person who is retiring (this may be something a person would want to keep private and must be respected). Basic congratulatory step is within the Executive Director's authority.

It was the consensus of the Board that a closed session was not needed.

Water Fluoridation Quality Award

AMHERST CO SERVICE AUTHORITY (ACSA) Virginia

The Centers for Disease Control and Prevention (CDC)'s support for community water fluoridation is based on more than 75 years of experience and research to show that water fluoridation is safe and effective for promoting good oral health. CDC commends this water system for providing high-quality water fluoridation for 12 consecutive months in 2021, representing a high level of operator care and accomplishment.



Casey Hannan, MPH
Director, Division of Oral Health
National Center for Chronic Disease
Prevention and Health Promotion
Centers for Disease Control and Prevention



Theresa "Tracy" J. Boehmer, P.E.
National Fluoridation Engineer, Division of Oral Health
National Center for Chronic Disease
Prevention and Health Promotion
Centers for Disease Control and Prevention



U.S. Department of
Health and Human Services
Centers for Disease
Control and Prevention



2021

Following Miscellaneous Matters, Executive Director Robert A. Hopkins, P.E., announced his two month notice of resignation, and a letter to the ACSA Board of Directors, indicating his last day of employment with the Amherst County Service Authority will be April 7, 2023. Mr. Hopkins said he will be attempting to complete as many projects as possible during this time and will be getting things turned over to Mr. Hall as "Acting" Director until a replacement is found.

Note: Mr. Perrow noted in the March 7, 2023 Board meeting that Mr. Hopkins will be attempting to complete as many projects as possible during this time and will be getting things turned over to, and he can only recommend Mr. Hall as "Acting" Director, until a replacement is found.

VIII. Citizen Comment

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

There were no citizens wishing to speak; Mr. Perrow closed Citizen Comment.

IX. Matters from the Members of the Service Authority Board

Board Chair Perrow had nothing further to discuss.

Board Vice Chair Woods had nothing further to discuss.

Board Member Martin had nothing further to discuss.

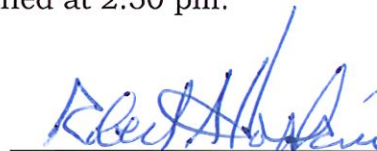
Board Member Pugh had nothing further to discuss.

Board Member Wade had nothing further to discuss.

Adjournment

Mr. Perrow announced the meeting was adjourned at 2:50 pm.



Edgar J.T. Perrow, Jr., ACSA Board Chair

Robert A. Hopkins, PE, Board Secretary