Service Authority
AMHERST COUNTY | VIRGINIA

AMHERST COUNTY SERVICE AUTHORITY BOARD

MINUTES

December 3, 2024
1:30pm

Members Present: Edgar J.T. Perrow, Jr., Chairman
Tom Martin, Member
David Pugh, Jr., Member
Drew Wade, Member

Members Absent: Wesley Woods, Vice Chairman

Staff Present: Timothy Castillo, Executive Director
Richard Hall, Assistant Director
Sharlene Haynes, Water Office Manager

Mark Popovich, ACSA Attorney

I. Call to Order – Chairman Perrow called the meeting to order at 1:32 pm.

II. Approval of the Agenda –

A. ACSA Board Meeting Agenda, December 3, 2024

By motion of Mr. Wade and with the following vote, the Board approved the agenda for the December 3, 2024, ACSA Board meeting:

AYE: Mr. Perrow, Mr. Martin, Mr. Pugh, Mr. Wade
ABSENT: Mr. Woods

III. Citizen Concerns / Comments

There were no citizens wishing to speak.

IV. ACSA FY 2024 Financial Audit

Hailey Fox of Brown Edwards & Company, L.L.P., presented to the ACSA Board of Directors their findings of ACSA's Fiscal Year 2024 Financial Audit. Listed are highlights and miscellaneous discussions:

<u>Brown Edwards & Co. LLP:</u>

a. The Service Authority received a clean, unmodified audit opinion.

b. ACSA is maintaining its cash position.
c. Comparative annual audited financial statements were not provided for this audit due to ACSA's 2023 audit being a 6-month audit. The next financial audit will include comparative statements.
d. The Statement of Cash Flows indicates an approx. $531K increase in cash flow at the end vs the beginning of the fiscal year. Cash flows appear healthy.
e. A new required Statistical Section is added to this audit as a requirement of the Virginia Resource Authority, which ACSA has debt through.
f. Regarding the Compliance Section of the Financial Section, there were no new findings.
g. Concerning Comments on Internal Control and Other Suggestions for your Consideration, six out of ten items that were carried over from previous audits have been fully resolved or are in the process of being resolved. Returned excess cash regarding travel expense is no longer applicable. ACSA utilizes the County procurement policy, therefore, the comment regarding Procurement and Purchasing Policies is no longer applicable. There were only 4 items regarding Reconciliation and Adjustments, which is significantly less than previous years.
h. There were obsolete inventory items on hand that were not assigned values and not counted. This was addressed, according to discussions with Mr. Castillo, after the audit counts were verified by the auditors.

<u>Board Member Comment</u>

a. Mr. Perrow asked if the Net Position for July 1, 2023, to June 30, 2024, is consistent with values listed in the current / new financial software and is the cash position being maintained?
b. Mr. Martin requested clarification regarding inventory control and what is being done to address issues. Mr. Wade asked for re-affirmation that there was only one discrepancy regarding item counts that the auditors found. Mr. Pugh asked how missing inventory items are addressed.
c. Mr. Perrow requests a small memo from the Executive Director to the Board, concerning audit findings and how to resolve the issues. Included in this memo should be funding requests to be included in the budget at the Board's direction.

<u>Executive Director Comment</u>

a. The new financial software currently reports expenses; reporting of revenue is forthcoming.
b. The required debt service ratio is 1.15. The current operating budget is budgeted for 1.54.
c. A physical inventory count is performed periodically and balanced to our records. There was only one discrepancy on the inventory count when the auditors performed their random

selection of items to count. Work orders are generated that lists materials to be pulled for each job. Currently, paper copies of work orders are being utilized.

V. Consent Agenda

a. Approval of Minutes
   i. Draft Meeting Minutes – October 1, 2024, ACSA Board of Directors Meeting.
   ii. Financial Report September – October 2024.
   iii. Mission Square Retirement Investments / Plans

Mr. Castillo presented the Consent Agenda as written in the agenda packet. Mr. Martin requested additional information regarding Mission Square. Mr. Castillo explained Mission Square provides another option for staff concerning retirement investment plans. The current provider is not performing well.

By motion of Mr. Martin and with the following vote, the Consent Agenda was approved:

AYE: Mr. Perrow, Mr. Martin, Mr. Pugh, Mr. Wade
ABSENT: Mr. Woods

VI. Action Items

A. CVPDC Hazard Mitigation Plan Inclusion

Mr. Castillo presented Item V.A., as written in the agenda packet.

By motion of Mr. Wade and with the following vote, the ACSA Board authorized ACSA's Executive Director to submit to the CVPDC, FEMA and Amendment to the CVPDC HMP 2020 Update to include ACSA as a Special District to join the Hazard Mitigation Plan. *(Mr. Perrow added one disclosure comment: His employer, SEH, Inc., is currently under contract with the CVPDC which may include FEMA grants, though he is not aware of any at this time.)*

AYE: Mr. Perrow, Mr. Martin, Mr. Pugh, Mr. Wade
ABSENT: Mr. Woods

V. Informational Report

Mr. Castillo presented the informational report as presented in the agenda packet; additional comments are provided:

1. LEAP Funding
2. Infrastructure Master Plan

The ACSA Board unanimously agreed to a Special ACSA Board Meeting date of Tuesday, January 21, 2025 at 5:00 pm.

3. Gateway Project
4. Seminole Plaza-South Madison Heights Infrastructure

Mr. Perrow asked for additional highlights regarding this Preliminary Engineering Report (PER). Mr. Castillo responded that the Seminole community would like to see issues resolved *(sewer, road work, traffic access, etc.)*. Also, the way the PER is broken down, "bite size" funding through different resources can be applied for – this is a good approach for successful funding arrangements.

5. VMDWA – Drinking Water Regulations

6. James River Bank Stabilization Project
7. Water and Sewer Rehabilitation/Extension& Other Infrastructure Projects
8. Automated Meter Reading Program

Mr. Perrow asked what safety issue was addressed with the recent automated meter reading efforts. Mr. Castillo responded that meters along Route 130 previously took two meter reader technicians that were exposed to traffic safety concerns. These meters are now read by radio equipment.

9. CVTC Infrastructure
10. DEQ SCAT Advisory Committee
11. Westbriar WWTP VPDES Permit Renewal
12. Development Projects
13. FY 24 Annual Audit

There were no other Board member comments.

VI. Citizen Concerns/Comments

There were no citizens wishing to speak.

VII. Matters from the Members of the Service Authority Board

Mr. Wade congratulated ACSA staff for a good job regarding the Financial Audit.

There were no other Board member comments.

VIII. Adjournment

Mr. Perrow announced the meeting adjourned at 2:16 pm.

Edgar J.T. Perrow, Jr. ACSA Board Chair	Timothy E. Castillo, Board Secretary