Service Authority
AMHERST COUNTY | VIRGINIA

AMHERST COUNTY SERVICE AUTHORITY BOARD

MINUTES

April 1, 2025
1:30 pm

Members Present: Drew Wade, Chairman
Tom Martin, Member
Edgar J.T. Perrow, Jr., Member (Joined 1:41 pm)
Wesley Woods, Member

Members Absent: David Pugh, Jr., Vice Chairman

Staff Present: Timothy Castillo, Executive Director
Richard Hall, Assistant Director

Mark Popovich, ACSA Attorney

I. Call to Order – Chairman Wade called the meeting to order at 1:30 pm.

II. Approval of the Agenda

A. ACSA Board Meeting Agenda, April 1, 2025

By motion of Mr. Martin and with the following vote, the Board approved the agenda for the April 1, 2025, ACSA Board meeting:

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

III. Citizen Concerns / Comments

There were no citizens wishing to speak.

IV. Employee Recognitions

A. Employee Recognitions – 2025

Mr. Castillo requested this agenda item be postponed for later in the meeting, due to the non-presence of the employee being recognized.

V. Consent Agenda

i. Draft Meeting Minutes – March 4, 2025, ACSA Board meeting.

ii. Financial Report September – February 2025

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

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

VI. Special Presentation

A. FY 26 Draft Budget / Financial Presentation

Mr. R.T. Taylor of Davenport & Co, presented to the ACSA Board of Directors, a Pro-Forma Cash Flow Update, based on ACSA's FY 25 Budget. A copy of the Davenport presentation is available at the request of the Executive Director; Mr. Taylor presented the update as written in their report.

Mr. Martin requested clarification concerning interest coverage by Amherst County during the interim financing of the Gateway Sewer project. It was explained that current arbitrage interest earnings are covering current interim financing interest. Mr. Martin does not want a scenario of paying back $2.5M over 20 years with no revenue to support the construction of the infrastructure. Mr. Taylor recommends a MOU and a service district holding the developer responsible if there is a delay in the development. Mr. Perrow interjected concerns that construction costs increase as time progresses, in which the $2.5M borrowed may not cover.

During the presentation by Davenport, outlining Scenario Assumptions, Mr. Martin commented that Scenario 3, assuming Amherst County will supplement the Gateway project, is a "pretty big assumption." Mr. Taylor recommends focusing on Scenario 2 estimated rate increases to water rates at 9% or 10%.

Mr. Perrow reiterated the importance of having a master plan and adjust rates accordingly to prevent "shock" to ACSA's locality / customers. He also is concerned about projecting a 3% growth in expenses. Mr. Taylor feels comfortable about their calculations for short-term projections for FY 26. Mr. Taylor completed his portion of the Special Presentation at approximately 2:20 pm.

Mr. Castillo presented a less conservative financial presentation (available by request to the ACSA's Executive Director) based on goals set in 2025. He reflected ACSA having no rate increase in FY 25, reflecting inflation of 3.7%, and interested earnings of $200K+ by consolidating various funds in a Virginia Pool to cover the inflation. Mr. Castillo is recommending a 3% cost of living with a 1% merit (pool) increase in salaries for FY 26; he is budgeting for a 4% increase in water and sewer service charges and projecting a 5.35% increase in expenditures.

Mr. Perrow asked what is driving the Administrative & General and Customer Account & Collection expenditure increases? Mr. Castillo explained the difference is in the way the current financial system is reporting these expenditures. Overall, the reporting reflects a wash.

To make health care more affordable for employees, Mr. Castillo proposes offering a High Deducible health insurance plan to ACSA staff with a Health Savings Account (HSA), with the Authority contributing $2,500. Single coverage premiums will be paid 100% by the Authority; 90% dual and family enrollment premiums will be covered by the

Authority. Mr. Perrow suggested making sure the maximum out of pocket plan year cost is less than the employee contribution to their HSA.

Mr. Castillo is recommending $1M is pulled from reserves, to cover master plan projects in addition to other capital and operational expenses.

Mr. Perrow reiterated the generous employer offer into staff HSA accounts. Is this amount too much or should some of the savings be used elsewhere? Also, is this a one-time contribution? Mr. Wade suggested that Mr. Castillo should present to the Board options ($2,000, 1,500, etc.) rather than just presenting one scenario. Mr. Catillo's is attempting to make this transition to the high deductible as painless as possible by offering the up-front HSA contribution. There were no other Board comments.

Before moving to the next agenda item, Mr. Castillo revisited Section IV by recognizing and congratulating Mr. Seneca Haskins for successfully passing the Virginia Waterworks Class 2 examination. In 2024, this examination had only a 37% passing rate.

IV. Action Items

A. Engineering Services – Route 130 Parallel Feeder Main.

Mr. Castillo presented two proposals received for the Engineering Services as specified and recommended that Hurt & Proffitt be awarded a contract for design and bid documents to construct a Parallel Water Feeder Main along Route 130 (Elon Road).

By motion of Mr. Perrow and with the following vote, the ACSA Board voted to accept the recommendation by Mr. Castillo and authorize him to proceed with awarding the Engineering Services contract to Hurt & Proffitt.

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

V. Informational Report

A. Informational Report – April 1, 2025

Mr. Castillo presented the following topics in the Informational Report as written in the agenda packet.

1. Infrastructure Master Plan
2. Financial Master Planning/FY26 Budgeting
3. VWP Permit Process
4. Leap Funding/Lead and Copper Service Line Inventory
5. Gateway Project
6. Seminole Plaza – South Madison Heights Infrastructure
7. James River Bank Stabilization Project
8. Water and Sewer Rehabilitation/Extension/Replacement and other Infrastructure Projects
9. CVTC Infrastructure
10. DEQ SCAT Advisory Committee
11. Legislative General Assembly Matters

12. Future Developments
13. Orchard Hills Estates Water System

There were no additional Board comments concerning the Informational Report.

VI. Citizen Concerns/Comments

There were no citizens wishing to speak.

VII. Matters from the Members of the Service Authority Board

There were no additional Board member comments.

VIII. Adjournment

By motion of Mr. Martin and with the following vote, Mr. Wade announced the meeting was adjourned at 2:50 pm.

Drew Wade, ACSA Board Chair

Timothy E. Castillo, Board Secretary