

Albemarle County Service Authority Board of Directors

1 The Board of Directors of the Albemarle County Service Authority
2 (ACSA) met virtually in a regular session on September 15, 2022, at 9:00
3 a.m. through Zoom.

4 **Members Present:** Mr. Richard Armstrong; Mr. Nathan Moore; Dr. Lizbeth
5 Palmer; Mr. Clarence Roberts, Chair; Mr. Charles Tolbert, Vice-Chair.

6 **Members Absent:** John Parcels.

7 **Staff Present:** Jim Bowling, Quin Lunsford, Jeremy Lynn, Alex Morrison,
8 Gary O’Connell, Justin Weiler, Emily Roach, Danielle Trent, April Walker,
9 Theresa Whiting, Terri Knight.

10 **Staff Absent:** Michael Lynn.

11 **Public Present:** Mike Derdeyn, Flora Pettit PC; Neil Williamson, Free
12 Enterprise Forum.

13
14 1. Call to Order and Establish a Quorum – Statement of Board Chair

15 Mr. Roberts called the meeting to order, and a quorum was
16 established. He then read the Board Chair statement declaring an
17 electronic meeting (Attached as Page _____).

18
19 2. Approve Minutes of August 18, 2022

20 There were no corrections or additions to the minutes of August 18,
21 2022.

22 ***Dr. Palmer moved to approve the minutes, seconded by Mr.***
23 ***Moore. All members voted aye, except for Mr. Roberts who abstained***
24 ***from voting due to his absence at the August 18, 2022 meeting.***

25
26 3. Matters from the Public

27 There were no matters from the public.

28
29 4. Response to Public Comment

30 There was no response to public comment.

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1 5. Consent Agenda

2 **a. Monthly Financial Reports –**

3 **b. Monthly CIP –**

4 **c. CIP Authorizations –**

5 **d. CIP Project Close-Outs**

6 **e. Monthly Maintenance Update –**

7 **f. Rivanna Water and Sewer Authority (RWSA) Update –** Dr. Palmer
8 stated that she had a question about the resolution to amend the
9 RWSA’s FY 2022-23 water rates and charges due to the Northern Area
10 Drinking Water Projects Agreement. She asked if the RWSA Board
11 knew about this change in advance and just did not have time to
12 include it before the rates were adopted, or if there was some issue
13 that led to the change.

14 Mr. O’Connell replied that there had been some discussion about
15 the projects in advance, but the actual monetary calculations were not
16 completed until after the RWSA budget was adopted. He stated that
17 this is why the rate change is going through a special amendment
18 process.

19 Dr. Palmer asked if there was any controversy surrounding the
20 change in charges. Mr. O’Connell replied that there was an agreement
21 process that the ACSA Board was involved in. He noted that the
22 projects almost exclusively serve ACSA customers, thus the ACSA is
23 responsible for 100% of the costs. He mentioned that there is one
24 longer-term project that could benefit the City of Charlottesville, which
25 would include a small cost-share.

26 Dr. Palmer asked when the change in charges from RWSA would
27 be implemented. Mr. O’Connell replied that, assuming the ACSA Board
28 approves the agreement, the monthly billing would begin to reflect that
29 increase in cost. He stated that the ACSA feels it can absorb the cost
30 during this budget year, so it would not be impactful to this year’s

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1 budget. He mentioned that it would become a part of the rate setting
2 process for the next budget cycle next spring.

3 Dr. Palmer asked if Mr. O’Connell could say a few words about the
4 longer-term project that would benefit the City. Mr. O’Connell stated
5 that the project is to connect the northern part of the water system,
6 which is now served by the North Rivanna Water Treatment Plant, to
7 the South Fork Rivanna Water Treatment Plant. He mentioned that this
8 will include a couple of river crossings, as well as a new pump station
9 that is being built near the airport and a water tank. He noted that
10 longer-term, the North Rivanna WTP will be decommissioned. He
11 stated that the tank could benefit the City in the future.

12 ***g. ACSA Board Policy Future Issues Agenda 2022 –***

13 ***h. Advanced Metering Infrastructure (AMI) Project Update –***

14 ***Dr. Palmer moved to approve the consent agenda, seconded***
15 ***by Mr. Tolbert. The Chair asked for a roll-call vote: Mr. Tolbert, aye;***
16 ***Mr. Armstrong, aye; Mr. Moore, aye; Dr. Palmer, aye; Mr. Roberts,***
17 ***aye.***

18
19 6. **Imagine a Day Without Water – Resolution**

20 Emily Roach, Director of Human Resources & Administration,
21 stated that October 20, 2022 has been deemed as Imagine a Day Without
22 Water this year. She stated that for the 8th consecutive year, the ACSA
23 would be hosting a student art contest, in conjunction with the City of
24 Charlottesville and Rivanna Water & Sewer Authority (RWSA). She stated
25 that there is a copy of the art contest flyer in the Board packet, which have
26 the ACSA has started including with the customer bills. She mentioned that
27 the flyers would also be passed out to the schools as well. She stated that
28 staff is asking the Board today to approve the resolution proclaiming
29 October 20, 2022 as Imagine a Day Without Water (Attached as Page
30 _____).

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1 Dr. Palmer stated that this is a nice event, and she has always
2 enjoyed the various art submissions that are received every year.

3 ***Dr. Palmer moved to approve the resolution as presented to***
4 ***the Board, seconded by Mr. Tolbert. The Chair asked for a roll-call***
5 ***vote: Mr. Tolbert, aye; Mr. Armstrong, aye; Mr. Moore, aye; Dr. Palmer,***
6 ***aye; Mr. Roberts, aye.***

7
8 7. **Customer Account Arrearage Report – Status Update**

9 Quin Lunsford, Director of Finance, stated that the staff wanted to
10 provide the Board with an update on the arrearage situation, including what
11 has happened over the past two years and what will happen going forward.

12 Mr. Lunsford stated that the ACSA was awarded, and able to
13 distribute, over \$375,000 worth of federal and state Covid relief funds
14 through the CARES Act and ARPA program. He stated that the Board has
15 seen reports included in past consent agendas, of the ACSA's arrearage
16 balances fluctuating over time and now holding steady. He mentioned that
17 the reason for this is the considerable effort of the Customer Service team
18 in coordinating payment plans with about 100 customers that are
19 significantly in arrears. He added that most plans were established based
20 on the customer's ability to pay, with plans ranging from two months to over
21 two years.

22 Mr. Lunsford stated that there were 36 customers that the staff has
23 had incredible difficulty with getting in touch with or getting them to make a
24 payment on their account. He stated that in another attempt to contact
25 these customers, certified letters were mailed to them requesting them to
26 contact the ACSA. He noted that if they do not contact the ACSA within two
27 weeks, disconnection of water service will be scheduled. He mentioned
28 that if this happens, he anticipates the customer will call the office, at which
29 time the staff will do everything they can to get them back in service. He
30 noted that two of the customers that were mailed letters on Friday have
31 already contacted the office and paid their balance in full. He added that

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1 staff is hopeful that these letters will initiate conversations and help the
2 ACSA collect those arrears.

3 Mr. Roberts asked what the largest amount was owed to the ACSA
4 by a single-family customer. Mr. Lunsford replied that off the top of his
5 head, he would say about \$3,000-\$4,000. Mr. Roberts asked what the least
6 amount would be. Mr. Lunsford replied around \$200-\$300.

7 Dr. Palmer asked if all of these customers received assistance from
8 the funding the ACSA received from the State. Mr. Lunsford replied not
9 necessarily, but some of them did. He stated that the CARES Act program
10 required customers to fill out an application to request assistance. He
11 mentioned that the ARPA program was different in that the staff was able
12 to apply the funding independent of customers reaching out. He noted that
13 these customers could have accumulated arrearages outside of the
14 window the ARPA funds were available.

15
16 8. Update Report – Supplier Issues

17 Mr. O’Connell stated that the staff wanted to share some of the
18 challenges the ACSA is facing due to supply chain issues. He stated that
19 Mr. Lunsford has worked with other members of the Lead Team to put
20 together a presentation outlining some examples of those challenges
21 (Attached as Pages _____).

22 Mr. Lunsford stated that he would first like to thank the Lead Team
23 for contributing information for this presentation. He stated that if there are
24 any specific questions outside of the Finance department, he would defer
25 to the appropriate Lead Team member to answer them.

26 Mr. Lunsford stated that generally across the country there are
27 water and sewer pipe shortages. He stated that there has been limited
28 gasoline and diesel fuel availability, not necessarily pandemic-related but
29 due to the hacking of the pipeline a year and a half ago. He mentioned that
30 there are equipment shortages and other areas that may not be as
31 apparent on the surface but have impacted ACSA operations.

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1 Mr. Lunsford stated that he would begin with the Maintenance
2 department. He stated that water and sewer pipe availability is extremely
3 limited, with order fulfillment times of 40 weeks or more for ductile-iron
4 pipe. He stated that in terms of equipment, fleet vehicles have been
5 incredibly difficult to procure, taking years to receive. He noted that the
6 ACSA has received the new Ford F-550, but staff is waiting on a dump bed
7 to be installed.

8 Mr. Lunsford stated that in the Engineering department there have
9 been projects by limited pipe availability, as contractors are facing the
10 same issues as the ACSA. He mentioned that one of the pieces of
11 equipment that has been difficult to obtain is a generator that was ordered
12 in August 2021, which should be here soon. He stated that there have also
13 been issues with third-party services. He mentioned that some of the ACSA
14 customers are food service establishments that contract out the cleaning of
15 their grease interceptors and are having issues with scheduling those
16 services.

17 Mr. Lunsford moved next to the Information Technology (IT)
18 department. He stated that when the country's workforce transitioned to
19 remote work, the demand for equipment to support that work was
20 incredible, and the companies that provide the equipment have not been
21 able to keep up with the increased demand. He mentioned that this has
22 resulted in the ACSA having significant delays in obtaining replacement
23 computers and printers. He noted that the IT staff has had to slow down
24 replacement schedules and repurpose equipment to ensure employees are
25 able to work remotely.

26 Mr. Lunsford stated that in terms of the Administration department,
27 there have been issues related to third-party services and training. He
28 stated that CPR training is hands-on and conducted in-person, thus there
29 have been some workarounds in that area. He mentioned that other
30 trainings to keep employees safe and in compliance with various rules and
31 regulations have had to be delayed or performed through alternate means.

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1 He stated that interestingly enough, another area that has been affected is
2 the onboarding of new employees. He stated that there have been delays
3 in fulfilling new hire requirements such as drug screening and background
4 checks.

5 Mr. Lunsford stated that in the Finance department, meter
6 availability continues to be a major issue. He stated that he has had the
7 opportunity to regularly share updates on the AMI project, so he would not
8 belabor that point. He stated that early in 2021 when meter orders were not
9 being fulfilled with regularity, the ACSA worked closely with a number of
10 vendors to ensure there was sufficient stock for meter replacements
11 completely unrelated to the AMI project. He noted that it has also been
12 difficult to find components for the hydrant meters used by water haulers.
13 He stated that another interesting item that has been affected is envelopes.
14 He stated that the ACSA sends a little over 10,000 pieces of mail per
15 month just for customer billing, and there have been major delays in the
16 time it takes to receive the envelopes needed.

17 Mr. Lunsford stated that moving forward the ACSA continues to
18 look as far out into the future as is reasonable, to ensure there is enough
19 inventory and stock to continue providing clean, safe, and reliable water.
20 He stated that the new CMMS has provided the ACSA with an enhanced
21 ability to track inventory and determine what the organization has and what
22 it needs. He mentioned that the ACSA has also considered alternative
23 options for things like pipe materials and water meters. He noted that
24 another step the ACSA as taken to mitigate these supply chain issues is
25 retaining assets longer than historically normal. He stated that fleet
26 vehicles replacement is a prime example of this, in that the ACSA has held
27 on to vehicles that normally would have been sent to auction and replaced.
28 He added that the same is true with IT hardware.

29 Mr. O'Connell stated that the ACSA has also seen an increase in
30 bid pricing with its capital projects, which has also been the case with
31 RWSA on a couple of projects as well. He stated that as the ACSA moves

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1 into new, larger projects, the increased pricing will probably have a
2 financial impact over time. He noted that there also has not been a lot of
3 competition with regard to bidding on those projects.

4 Dr. Palmer asked if there were any specific RWSA projects that are
5 falling behind in their very aggressive CIP program. Mr. O'Connell replied
6 that he is not aware of any RWSA projects that have been delayed. He
7 mentioned that there was some concern about some of the pricing on a few
8 of the future projects, but he does not believe that has slowed anything
9 down as of now. Dr. Palmer stated that it is always an issue when the
10 estimate is different from what the project actually ends up costing. She
11 asked if there was something in particular that was way off. Mr. O'Connell
12 replied that across the board, pricing on materials has increased and
13 delivery times have been delayed.

14 Mr. Tolbert stated he is aware that difficulty in getting chips has
15 affected the automobile and computer industries. He asked what the
16 reason was for the delay in receiving pipe materials, as he assumes they
17 do not rely on chips. Mr. Lynn replied that he has heard from several
18 suppliers that the conflict in Ukraine is a huge factor in raw material for
19 ductile-iron pipe. Mr. Tolbert asked if the time delay in receiving these
20 materials is getting better or worse. Mr. Lunsford replied that he thinks it
21 depends on the material. He stated that some shipment times have
22 improved, and some have deteriorated. He mentioned that in terms of
23 meters, the ACSA's supplier made a change in where some of the
24 materials were made in order to improve some of the issues with the
25 electronics and microchips that are used. He noted that the other issue is
26 that the ACSA has a backlog, so it will take some time to fill those orders.

27 Mr. Lynn stated that the ACSA's contractor for the Jefferson Village
28 Water Main Replacement project actually secured pipe from a different
29 supplier, which a lot of contractors are doing. Mr. Tolbert asked if the
30 contractors are ensuring that the quality of the materials is the same. Mr.

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1 Lynn replied that the materials still meet the ACSA's approved products
2 and what is outlined in the contract documents.

3
4 9. **Transfer of Ownership to Upper Woodbrook Interceptor**

5 Mr. O'Connell stated that this item is a fairly straightforward
6 request. He stated that the proposal is a transfer of this sewer line from the
7 RWSA to the ACSA. He stated that this is very similar to the transfer of the
8 Upper Morey Creek Interceptor that the Board approved in June 2022. He
9 stated that this sewer line primarily serves residential areas and seems
10 appropriate for it to be a part of the ACSA's system. He noted that RWSA
11 conducted an evaluation of this sewer line and performed a major
12 rehabilitation and is now in better condition.

13 Mr. O'Connell stated that before the Board today is a request to
14 authorize the Executive Director to execute a deed with the RWSA to
15 transfer a portion of the Woodbrook sewer line to the ACSA. He stated that
16 the specifics of the transfer are outlined in the deed, as well as the map
17 that is included in the Board packet.

18 Mr. Tolbert asked if this would affect any of the sewer charges to
19 ACSA's residential customers. He stated that he assumes the ACSA is
20 already charging these customers for sewer and is just taking over control
21 of the sewer line. Mr. O'Connell replied yes. He noted that there is no
22 financial impact to customers, as they are already being billed for their
23 sewer use.

24 ***Dr. Palmer moved to authorize the Executive Director to***
25 ***execute a deed with the Rivanna Water and Sewer Authority (RWSA)***
26 ***that will transfer ownership of approximately 3,400 LF of the***
27 ***Woodbrook Interceptor upstream of WBI-MH-26 to the ACSA;***
28 ***seconded by Mr. Tolbert. The Chair asked for a roll-call vote: Mr.***
29 ***Tolbert, aye; Mr. Armstrong, aye; Mr. Moore, aye; Dr. Palmer, aye; Mr.***
30 ***Roberts, aye.***

