

**HCSA Regular Board Meeting
September 21, 2023**

A regular meeting of the Board of Directors of the Halifax County Service Authority was held on September 21, 2023 at 3:30 PM in the Authority conference room located at 2529 Houghton Avenue in the Town of South Boston, Virginia.

The meeting was called to order by the Executive Director. A moment of silence was observed.

The Secretary called the roll for Directors present. The result was as follows:

| | | |
|----------|------------------|--------------------|
| Present: | LaTonya Hamilton | Hope Harris-Gayles |
| | Fields Thomas | George Leonard |
| | Daniel Lloyd | Kathy Bane |

| | |
|---------|-----------|
| Absent: | Tim Davis |
|---------|-----------|

The Secretary certified that a board quorum was present.

Call to Order/Moment of Silence – Chair

Roll Call – Executive Director/Secretary

Review of Agenda – Executive Director/Secretary

Public Comment Period – Chair

New Business - Chair

- 1. Review of Minutes from July 20, 2023 Meeting – Chair*
- 2. Review of Financial Reports – Treasurer/ Assistant Executive Director*
- 3. Board Vacancy – Tim Davis Approval – Executive Director*
- 4. Leigh Street Filter Plant Upgrade Presentation – Executive Director, Dewberry*
 - a. Real Estate Purchase*
 - b. VDH – Project Engineering and Construction Financing*
 - c. Interim Project Design Financing*
- 5. Sinai & VIR Utility Extension Projects – Award of Contract – Executive Director*
- 6. 2024 HCSA Business Meeting Calendar – Executive Director*
- 7. HCSA Board Retreat – Strategic Board Planning/Training - Executive Director*

Staff Reports – Executive Director/Staff

- a. Seymour Drive – Town Project - Inspections*
- b. DHCD Housing Rehabilitation – Riverdale, Springdale, Memorial*
- c. Blue Ridge Rock Festival*

Old Business – Executive Director

Closed Session – As Directed by the Chair

Closed Session pursuant to § 2.2-3711. A. 1, 3 & 6 Code of Virginia 1950 as amended. The specific topics for which the closed session is called are:

§ A.1 – Discussion of assignment, appointment, promotion, performance, demotion, salaries, disciplining, or resignation of specific public officers, appointees, or employees of any public body.

§ A.3 - Acquisition of real property for public purpose, where discussion in an open meeting would adversely affect the Authority's negotiating position or strategy

§ A.6 – Discussion or consideration of the investment of public funds where competition or bargaining is involved, where, if made public initially, the financial interest of the governmental unit would be adversely affected.

§ A.7 – Consultation with legal counsel and briefings by staff members or consultants pertaining to actual or probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the public body; and consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel.

Adjournment

Next Regular Business Meeting – November 16, 2023

Public Comment Period:

No one registered to address the board during the regularly scheduled public comment period.

1. Review of Minutes from July 20, 2023 Meeting – Chair

The minutes from the July 20, 2023 business meeting were reviewed by the Board. Corrections for board attendance were revised. Fields Thomas moved to approve the minutes as presented. Daniel Lloyd provided a second to the motion. The motion passed without opposition.

2. Review of Financial Reports – Treasurer/ Assistant Executive Director

The Treasurer presented the financial statements to the board for review and discussion. There were no suggested changes or modifications that were noted, required or approved.

3. Board Vacancy – Tim Davis Approval – Executive Director

Staff reported that Board candidate Tim Davis has been approved by the County of Halifax, Town of South Boston and the Town of Halifax to serve on the Authority Board. Mr. Davis term will start as of the September meeting. The current Board Member Roster is presented as:

| | |
|---------------------------------|--------------------------|
| LaTonya Hamilton – Chair | Term Expires - 6/30/2027 |
| Hope Harris-Gayles - Vice-Chair | Term Expires - 6/30/2027 |
| Fields Thomas | Term Expires - 6/30/2024 |
| Kathy Bane | Term Expires - 6/30/2025 |
| George Leonard | Term Expires - 6/30/2026 |
| Daniel Lloyd | Term Expires - 6/30/2026 |
| Tim Davis | Term Expires - 6/30/2025 |

4. Leigh Street Filter Plant Upgrade Presentation – Executive Director, Dewberry

a. Real Estate Purchase - Staff updated the board on property acquisition needed for the expansion of the Leigh Street Water Plant. Three (3) parcels were transferred and recorded earlier in September. Estate Purchase

b. VDH – Project Engineering and Construction Financing – Dewberry presented an overview of the water plant improvements, including a 3-D rendering of the proposed project modular construction and site locations and conditions. Dewberry also presented an engineering and design proposal for the project as listed below:

FEE & SCHEDULE

Dewberry proposes to provide the above scope of services for the following fee schedule: **Task**

| | Description | Fee | Basis of Fee |
|--------------|-------------------------------|--------------------|----------------------|
| 1 | Geotechnical, Lead & Asbestos | \$42,000 | Lump Sum |
| 2 | Survey, Design and Permitting | \$1,078,000 | Lump Sum |
| 3 | Construction Administration | \$355,000 | Lump Sum |
| 4 | Resident Inspection Services | \$151,000 | Hourly Not to Exceed |
| 5 | Part-Time Engineer Inspection | \$75,000 | Hourly Not to Exceed |
| Total | | \$1,701,000 | As Noted |

Staff also presented the funding available through VDH and through USDA RD. The project is eligible for a Build America Back Again (BABA) exemption due to the date of the PER submittal and funding application(s). The new estimated project cost is \$8,130,000. Below is a table listing the known and expected funding options from VDH and USDA RD.

| Phased Offers | Amount of Offer | Principal Forgiveness | Loan Amount | 20-year Loan 2.75% | 30-year Loan 3.65% | Grant % |
|-----------------------|-------------------------|------------------------------|------------------------|---------------------------|---------------------------|----------------|
| Phase 1 | \$ 8,865,000.00 | \$ 8,865,000.00 | \$ - | N/A | N/A | |
| Phase 2 | \$ 5,230,000.00 | \$ 3,452,053.00 | \$ 1,778,330.00 | TBD | TBD | 66% |
| Phase 3 | \$ 4,035,000.00 | \$ 2,017,500.00 | \$ 2,017,500.00 | TBD | TBD | 50% |
| Total | \$ 18,130,000.00 | \$ 14,334,553.00 | \$ 3,795,830.00 | \$ 3,795,830.00 | \$ 3,795,830.00 | |
| Monthly | | | | \$20,580.00 | \$17,364.00 | |
| Annual | | | | \$246,960.00 | \$208,368.00 | |
| Total Payments | | | | \$4,939,131.00 | \$6,251,179.00 | |
| Total Interest | | | | \$1,143,301.00 | \$2,455,349.00 | |

Additional funding has been allocated for the project through USDA RD low interest loan program. The Authority has been allocated up to \$8,127,000 with 40-year terms and a fixed interest rate of 2.875%. The use of the funds is dependent upon agreement to terms and conditions prior to project construction bid advertisement.

c. Interim Project Design Financing – Staff presented several interim financing options in the amount of \$1,200,000 in order to allow Dewberry to proceed with engineering and design of the project. The amount borrowed for engineering and design is reimbursable to the Authority upon the award of the contract. Staff asked for consent to proceed with interim project funding and to accept the funding offers from VDH and USDA RD as potential project funding sources.

Kathy Bane moved to allow authority staff to borrow \$1,200,000 for interim engineering and design costs from Benchmark Bank by using existing Authority funds as collateral for a one-year Certificate of Deposit (CD) as collateral. The interest on the CD would off-set nearly all of the interest charged for the short-term loan. Daniel Lloyd provided a second to the motion. The motion passed without opposition.

Daniel Lloyd moved to accept the funding offer for the engineering, design and construction of the Leigh Street Water Plant improvements from VDH by accepting the terms and conditions of the twenty-year term offer accompanied with an interest rate of 2.75%. Hope Harris-Gayles provided a second to the motion. The motion passed without opposition.

5. Sinai & VIR Utility Extension Projects – Award of Contract – Executive Director - Staff presented the preliminary results of construction bids received on Thursday, September 21, 2023 at 2:00 PM and 2:30 PM, respectively. The bids will be reviewed for any errors or inconsistencies and the official tabulation and award will be decided at a later date. The projects are contingent and based upon funding by the County of Halifax. The following bid tabulation was presented to the board.

| Contractor | VIR | Sinai |
|----------------------------|--------------|--------------|
| CW Cauly & Son | \$742,197.50 | \$439,750.00 |
| Virginia Carolina | \$951,731.00 | \$373,809.00 |
| Haymes Brothers | \$972,840.00 | \$563,750.00 |
| Whites Construction | \$804,767.84 | |
| Bowman Griffin | | \$289,750.00 |

6. 2024 HCSA Business Meeting Calendar – Executive Director - The Board approved the following Bi-monthly Business meeting Schedule for calendar year 2024. The meetings will be held at 3:30 PM and on the third (3rd) Thursday of every other month. The following dates were presented without any comment or objection.

2014 Meeting Dates

- January 18, 2024
- March 21, 2024
- May 16, 2024
- July 18, 2024
- September 19, 2024
- November 21, 2024

7. HCSA Board Retreat – Strategic Board Planning/Training - Executive Director - Staff suggested a scheduled Board retreat and planning session in February 2024. The retreat will be scheduled for 4-hours and lunch will be provided.

Staff Reports – Executive Director/Staff – Staff provided updates on the following projects and recent events.

- a. Seymour Drive – Town Project - Inspections
- b. DHCD Housing Rehabilitation – Riverdale, Springdale, Memorial
- c. Blue Ridge Rock Festival

Staff also provided an overview 2020 General Assembly. House Bill 358 and its potential implications for small rural systems. HB 358 allows public works contracts (by locality approval) to authorize project labor agreements.

The Bill allows for local project labor agreements; public procurement and authorizes any public body, including any state or local government, when engaged in procuring products or services or letting contracts for construction, manufacture, maintenance, or operation of public works, to require bidders to enter into or adhere to project labor agreements on the public works projects.

This allowance or authorization can have a significant impact on rural and small system projects that depend upon Virginia's existing "Right to Work" and local prevailing labor rates to control project costs and funding acquisition.

The Board moved to enter a Closed Session pursuant to § 2.2-3711. A. 1, 3 & 6 Code of Virginia 1950 as amended. The specific topic(s) for which the closed session was called for are:

§ A.1 – Discussion of assignment, appointment, promotion, performance, demotion, salaries, disciplining, or resignation of specific public officers, appointees, or employees of any public body.

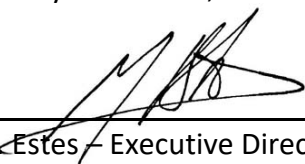
The closed session was entered on a motion by George Leonard with a second by Kathy Bane.

The Board voted to exit the closed session with a motion by George Leonard and second by Kathy Bane.

The Board voted to certify that discussion was limited to the specific topics identified with a motion by Kathy Bane and a second by Fields Thomas.

With no additional business items or actions needed, the board moved to adjourn.

Respectfully Submitted,



Mark S. Estes – Executive Director - Secretary

LaTonya Hamilton, Chair

Approved: 11/16/2023