

**HCSA Regular Board Meeting  
November 26, 2023**

A regular meeting of the Board of Directors of the Halifax County Service Authority was held on November 26, 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	Tim Davis
	Fields Thomas	George Leonard
	Daniel Lloyd	Kathy Bane

Absent: Hope-Harris Gayles

The Secretary certified that a board quorum was present. The following meeting agenda was presented without discussion or changes:

*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 September 21, 2023 Meeting – Chair*
2. *Review of Financial Reports – Treasurer/ Assistant Executive Director*
3. *Leigh Street Water Plant Upgrade – Executive Director*
  - a. *Zoning and Street Closure*
  - b. *Interim Financing – Design & Procurement*
  - c. *VDH - Project Engineering and Construction Financing*
4. *Lead Service Line Inventory – Executive Director*
5. *Springbrook Software Integration & Update – Assistant Executive Director*
6. *Board Member Meeting Compensation – Executive Director*
7. *HCSA Holiday Appreciation Luncheon – Assistant Executive Director*

*Staff Reports – Executive Director/Staff*

- a. *VT / SVHEC Career Expo & CTE Showcase*
- b. *Dominion Energy Expansion Project*
- c. *Sinai & VIR Utility Extension Projects – Award of Contract*

*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 – January 18, 2024**

**Public Comment Period:**

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

**1. Review of Minutes from September 21, 2023 Meeting – Chair**

The minutes from the September 21, 2023 business meeting were reviewed by the Board. Kathy Bane moved to approve the minutes as presented. Fields Thomas 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. Leigh Street Water Plant Upgrade**

The Director updated the board on the Leigh Street Water Plant Upgrade. The Town approved the closure of 130 feet of Leigh Street that will be used for the project and to provide a turnaround for delivery trucks and general vehicle and equipment use.

HCSA borrowed \$1,000,000 from Benchmark Bank to cover the design and procurement of the Leigh Street Water Plant Upgrade. Design and procurement are estimated to be from 12 – 18 months. HCSA will be eligible for reimbursement once the project is awarded. We collateralized \$1,000,000 in cash for a six-month CD and with no renewal cost or fees. The interest on the loan is 5.98% and the interest on the CD is 4.88%. In essence, a 1.1% interest rate for the interim loan.

The original engineer’s estimate for the total project as described in the Preliminary Engineering Report was \$17,100,000.00. Initially, 19% was added to the project costs in order to account for BABA (Build America, Buy America) provisions that are required with Federal Funding. This increased the projected project cost to \$21,000,000.00. Staff have requested a waiver from VDH and from USDA RD to exempt HCSA from the BABA requirements as our application for funding was submitted prior to the May 1, 2022 BABA implementation requirements. However, the project cost has been increased to \$18,130,000 to account for the increase in general goods and services.

HCSA has received all three (3) phased offer letters of financing from VDH Office of Drinking Water to fund our project based upon the initial \$17,100,000 project cost. I have received the third offer. Offer Number 1: \$8,865,000 in full principal forgiveness (grant). Offer Number 2: \$5,230,000 in grant/loan with 66% grant/loan. Offer Number 3: \$3,024,016 in grant/loan with 66% principal forgiveness. I have requested that VDH revise the 3rd offer to include the revised and increased project cost. I will lay out the funding scenarios in this packet. We will also discuss at the meeting.

**4. Lead Service Line Inventory** – On August 4, 2022, EPA released Guidance for Developing and Maintaining a Service Line Inventory to support water systems with their efforts to develop inventories, and to provide states with needed information for oversight and reporting to EPA. The guidance provides essential information to help water systems comply with the Lead and Copper Rule Revisions requirement to prepare and maintain an inventory of service line materials by October 16, 2024.

HCSA has received funding to develop the inventory and to ascertain the amount needed for construction to replace service lines that are either lead or galvanized from the water meter to the residential building. We received \$750,000 to develop the inventory and to replace customer service lines that are galvanized metal or lead. It breaks down as follows: \$285,000 in grant money and we will need to borrow the remainder (\$465,000) or as needed.

Staff will notify our customers during the December billing cycle by mail and we will post the website as well. We are working with our consultants to develop a mobile app for field use by staff to upload the meter inspections to an interactive GIS based map. We also plan to offer our customers an incentive to use their phone to take a photo of their service line as it enters the crawl space so we can avoid staff time and resources.

#### **5. Springbrook Software Integration & Update -**

HCSA staff continues to work with our new financial software vendor to complete data integration and off-line testing prior to implementation. Staff will continue to update the board on the Utility Billing and General Ledger software integration and timeline.

#### **6. Board Member Meeting Compensation**

The Director presented the concept of compensation for board members to cover meeting costs and travel. The Board decided to move any discussion to a special strategic planning session later this Spring.

#### **7. HCSA Holiday Appreciation Luncheon**

Staff will provide the annual employee appreciation luncheon on December 18th, 2023 from 12:00 noon until 2:00 PM. A buffet style lunch will be served. Please plan to eat and celebrate with our HCSA staff.

#### **Staff Reports – Executive Director/Staff**

**a. VT / SVHEC Career Expo & CTE Showcase** - HCSA staff participated in both the Career Expo and the CTE Showcase events held at the SSVHEC and the Prizery. Both were very well attended and supported by many of the industries in our area.

**b. Dominion Energy Expansion Project** – This project is an expansion of the Dominion facility on North Main Street that began more than 5 years ago and has been on hiatus until this past month. The improvements will require the closure of Estes Street, the relocation of our utilities and a new access route to our 850,000 - gallon water standpipe behind the Dominion property.

**c. Sinai & VIR Utility Extension Projects – Award of Contract** – A contract has been awarded for the Sinia Water Line interconnection. HCSA has paid for the engineering and the design of the interconnection. The County will fund this project. The VIR Utility Extension Project came in over budget and is currently being scaled back by the County. The County is funding this project as well.

The Board moved to allow staff to issue and award and a notice to proceed for the Sinia and VIR water and sewer utility extension projects pending the County’s approval of project funding. George Leonard moved to proceed forward with the projects as recommended by staff. Kathy Bane provided a second to the motion. The motion passed without opposition.

Without any additional business items or actions needed, the board moved to adjourn.

Respectfully Submitted,



---

Mark S. Estes – Executive Director - Secretary

---

LaTonya Hamilton, Chair

**Approved: 01/18/2024**