

At the regular meeting of the Nelson County Service Authority held on January 16, 2020 at the Nelson County Service Authority, Administrative Building thereof:

Present: David S. Hight, Chairman
Gary L. Sherwood, Vice-Chairman
Jesse Rutherford
Justin Shimp
George Miller, Executive Director
Jennifer Fitzgerald, Secretary/Treasurer

Absent: Ernie Reed
Jim Bowling, Attorney

AGENDA ITEM 1. APPROVAL OF MINUTES

On a motion duly made by Mr. Rutherford, seconded by Mr. Shimp, with Mr. Shimp voting yes, Mr. Rutherford voting yes, Mr. Sherwood abstaining and Mr. Hight voting yes the following was resolved:

BE IT RESOLVED, That the Nelson County Service Authority Board of Directors does hereby approve the minutes of the December 19, 2019 regular meeting.

AGENDA ITEM 2. OFFICE MANAGER'S REPORT

December 2019. Mrs. Fitzgerald presented the Treasurer's Report for

Mrs. Fitzgerald provided Ski Season production information for Wintergreen Water Treatment Plant for the period of December 24, 2019-January 5, 2020. The WTP produced 5,481,720 gallons and of that 491,700 gallons was produced from the wells.

Mrs. Fitzgerald provided an engagement letter from Milliman to prepare and provide the OPEB report needed for the GASB 75 reporting requirements needed in the audit.

On a motion duly made by Mr. Rutherford, seconded by Mr. Sherwood, with Mr. Shimp voting yes, Mr. Rutherford voting yes, Mr. Sherwood voting yes and Mr. Hight voting yes the following was resolved:

BE IT RESOLVED, That the Nelson County Service Authority Board of Directors does hereby authorize Mr. George Miller to sign the engagement letter with Milliman for the OPEB report.

Mrs. Fitzgerald provided the “Resolution of Governing Body of Nelson County Service Authority”, which is required to give the Executive Director authorization to execute, on behalf of the Board of Directors all covenants contained in the agreements, documents and forms and to execute such other documents including, but not limited to, debt instruments, security instruments, and/or grant agreements as may be required in obtaining the said financial assistance for the Schuyler Sewer Project.

On a motion duly made by Mr. Rutherford, seconded by Mr. Sherwood, with Mr. Shimp voting yes, Mr. Rutherford voting yes, Mr. Sherwood voting yes and Mr. Hight voting yes the following was resolved:

BE IT RESOLVED, That the Nelson County Service Authority Board of Directors does hereby authorize Mr. David Hight, Chairman to sign the resolution authorizing the Executive Director to sign the Schuyler WWTP project agreements, documents and forms.

Mrs. Fitzgerald provided a 5 year history of the debt service balances and updated the debt service board to reflect balances as of December 31, 2019.

AGENDA ITEM 3. EXECUTIVE DIRECTOR’S REPORT

Mr. Miller reported after many meetings, conversations and approaches the Schuyler funding may now be possible due to a suggestion Mrs. Fitzgerald made to the County of Nelson of a 50/50 payoff of the existing Route 29 Corridor Sewer loan with an estimated balance of \$1,218,634.00. The Service Authority is in receipt of a letter dated January 16, 2020 from the County Administrator that the Board of Supervisors have approved in session on January 14, 2020 for Nelson County to provide funding to NCSA for one-half of the current balance of the Route 29 Corridor Sewer loan and the Authority will provide funding to match the County’s assistance.

On a motion duly made by Mr. Sherwood, seconded by Mr. Rutherford, with Mr. Shimp voting no, Mr. Rutherford voting yes, Mr. Sherwood voting yes and Mr. Hight voting yes the following was resolved:

BE IT RESOLVED, That the Nelson County Service Authority Board of Directors does hereby approve moving forward with the funding application with USDA-Rural Development for the Schuyler WWTP project. The Board of Directors also directed to move forward with the 50/50 payoff option after the 75% grant/25% loan package is awarded and secured with USDA-Rural Development and funding is allocated in the Letter of Conditions.

Mr. Miller stated the Schuyler WWTP quarterly progress report as required by DEQ per the consent order was completed with an update on funding of the project, which has a deadline of July 1, 2020 to secure funding.

Mr. Miller stated the Wintergreen WWTP quarterly progress report as required by DEQ per the consent order was completed with an update on 2 meetings held with CHA in reference to the submittal of the scheduled CCTV to Rural Development for their approval. Also, the advertisement of the CCTV work, which is to be advertised in the News & Advance on January 19, 2020 with a bid opening of February 13, 2020. The CCTV contract award will need board approval at the February meeting.

AGENDA ITEM 4. DIRECTOR'S COMMENTS

Mr. Rutherford and Mr. Shimp requested a comparison of what would be the minimum amount we would receive if all customers used under 4000 gallons in a month and what is the actual billed amount in January 2020.

AGENDA ITEM 5. PUBLIC COMMENTS

Mr. McSwain stated he thinks the Board of Supervisors need to get creative and look at the comp plan and see what they can attract to the Southeast Nelson where we could extend the system if we had too. There was continued discussion about the changing over the years and the need for convenience with the younger generation.

AGENDA ITEM 6. ADJOURNMENT

On a motion duly made by Mr. Sherwood, seconded by Mr. Shimp, with Mr. Shimp voting yes, Mr. Rutherford voting yes, Mr. Sherwood voting yes and Mr. Hight voting yes the following was resolved:

BE IT RESOLVED, That the Nelson County Service Authority Board of Directors does hereby adjourn this meeting until February 20, 2020.

Prepared by:





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Vienna, VA 22182
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December 31, 2019

Ms. Jennifer Tyree Fitzgerald
Office Manager
Nelson County Service Authority
P.O. Box 249
Lovingston, VA 22949

Re: July 1, 2019 OPEB Valuation for GASB Reporting

Dear Jennifer:

Milliman would be pleased to complete the July 1, 2019 actuarial valuation of the Nelson County Service Authority's retiree healthcare plan. We will use the results of this OPEB valuation as the basis for June 30, 2020 and June 30, 2021 GASB 75 reporting. Our base fee for completing the OPEB valuation will be \$3,100.

We would like to request the following information. Please be aware it typically takes about ten weeks from the time we receive all of the requested data elements to complete the valuation.

1. **Updated demographic data.** We have attached a data template that is very similar to the template we provided for the July 1, 2017 valuation. (If necessary, we can also provide the census data we received for that valuation.) Please use this template to provide the July 1, 2019 census data.

We have included a worksheet in the data template for retirees who have not elected to continue their employer-sponsored medical coverage into retirement. To the extent available, please provide information for any retirees who retired since July 1, 2017 and did not elect coverage.

2. **Medical premiums.** Please provide the medical premium rating sheet, by coverage and tier, for the current valuation year. If a more recent rating sheet is available, please provide this data as well.
3. **GASB disclosure information.** Please provide GASB 75 disclosure information for the 2019 fiscal year.
4. **OPEB trust assets.** If OPEB is being funded through a dedicated trust, please provide the annual trust statement as of the current valuation date. Also, please provide a list of the dates and amounts of all employer contributions made to the trust since the last valuation.

Offices in Principal Cities Worldwide

- 5. Updated benefit provisions.** We have attached a summary of the plan's benefit provisions disclosed in the June 30, 2018 GASB 75 valuation report. Please provide any updates to the provisions since that time.

Please be aware there will continue to be additional time and effort required to complete the additional calculations and disclosures required under GASB 75. Some (but not all) of these disclosure requirements include:

- Determining the impact of a +/- 1% change in both the discount rate and healthcare cost trend rate assumptions on the net OPEB liability.
- Calculating the annual OPEB expense.
- Updating the balances of deferred inflows and outflows.
- Reconciling the change in the net OPEB liability.

Our proposed fee for calculating the additional June 30, 2020 GASB 75 disclosure items is \$2,000. (This will bring the total project fee to \$5,100.) These items will be included in our standard GASB 75 disclosure report for unfunded plans. We will target providing a draft report sometime in the summer or early fall of 2020.

Data Reliance. *In performing the services hereunder, we will rely on data and other information provided to us by the Nelson County Service Authority. We will not audit, verify, or review the data and other information for reasonableness or consistency. Such a review is beyond the scope of our assignment. If the underlying data or information is inaccurate or incomplete, the results of our valuation and report may likewise be inaccurate or incomplete.*

The work proposed in this engagement letter will be governed by our Consulting Services Agreement ("Agreement"). In the event that any terms of this engagement letter are inconsistent with the terms of the Agreement, then the terms of the Agreement will control.



Ms. Jennifer Tyree Fitzgerald
December 31, 2019
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We look forward to working with the Nelson County Service Authority in the coming months. Please let us know if you have any questions.

Sincerely,

Erik M. Goodhart, ASA, MAAA
Consulting Actuary

cc: Mr. Eugene Lee, Milliman

On behalf of the Nelson County Service Authority, I authorize Milliman, Inc. to perform the valuation and GASB report under the terms described above.

Signature:

Name: George T. Miller, Jr.

Title: Executive Director

Date: January 17, 2020

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Attachment

Appendix C – Summary of Benefit Provisions

A. Health Plan Eligibility

Participants in the Nelson County Service Authority's OPEB plan must meet the eligibility requirements based on service earned with the Authority to be eligible to be eligible for retiree health benefits upon retirement. Participants must also retire directly from active employment and meet one of the following Virginia Retirement System (VRS) retirement eligibility requirements to be eligible for benefits.

General Employees Plan 1

Plan 1 includes all members vested as of January 1, 2013.

- Attain age 50 with at least 10 years of service with VRS for a reduced pension benefit, or
- Attain age 55 with at least 5 years of service with VRS for a reduced pension benefit, or
- Attain age 65 with at least 5 years of service with VRS for an unreduced pension benefit, or
- Attain age 50 with at least 30 years of service with VRS for an unreduced pension benefit.

General Employees Plan 2 and Hybrid Plan

Plan 2 includes all members not vested as of January 1, 2013, and members hired on or after July 1, 2010. The Hybrid Plan includes members hired on or after January 1, 2014 or by member election.

- Attain age 60 with at least 5 years of service with VRS for a reduced pension benefit, or
- Attain 90 points (age plus service) with VRS for an unreduced pension benefit, or
- Attain Social Security Normal Retirement Age with at least 5 years of service with VRS for an unreduced pension benefit.

B. Health Plan Benefits

Health benefits are for medical, dental, and vision. Non-Medicare eligible retirees may elect one of the following medical options, with either comprehensive or preventative dental coverage.

- Anthem Local Choice 250 (PPO)
- Anthem Local Choice Expanded (PPO)

Medicare eligible retirees may only elect the following medical option:

- Anthem Advantage 65

A retiree may elect to also cover their spouse. Retiree health benefits are provided for the lifetime of the retiree and spouse. If the retiree predeceases the spouse, the spouse may elect to continue coverage.

The monthly premiums below are for the year beginning July 1, 2017.

<u>Plan</u>	<u>Retiree</u>	<u>Retiree & Dependent</u>	<u>Family</u>
Anthem Local Choice 250 (PPO):	\$ 647.00	\$ 1,197.00	\$ 1,747.00
Anthem Local Choice Expanded (PPO):	\$ 710.00	\$ 1,314.00	\$ 1,917.00
Anthem Advantage 65:	\$ 169.00	N/A	N/A

C. Employer and Retiree Contributions

In general, retirees are responsible for 100% of the premium cost.

Retiree Health Insurance Assistance Program:

Effective July 1, 2018, the Authority implemented the Retiree Health Insurance Assistance Program. Retirees with 15 or more years of service (5 or more years of service if retiring due to a disability) with the Authority or any of its predecessors receive a subsidy equal to \$2.50 per year of service (up to a maximum of 30 years) toward post-65 health insurance costs.

D. Disability Retirement Benefit

There are no age or service requirements for disabled retirees. Disabled retirees are eligible for the same employer contributions as healthy retirees. These contributions are outlined in section c. - Employer Contributions.

E. Death Benefit

The plan does not include a pre-retirement death benefit. Beneficiaries of employees who die prior to retirement are eligible for COBRA only.

F. Withdrawal Benefit

The plan does not include a withdrawal benefit.

G. Benefit Service

Benefit service is credited from the date of hire with Nelson County Service Authority.

Changes Since Prior Valuation

Effective July 1, 2018, the Authority implemented the Retiree Health Insurance Assistance Program. Retirees with 15 or more years of service (5 or more years of service if retiring due to a disability) with the Authority or any of its predecessors receive a subsidy equal to \$2.50 per year of service (up to a maximum of 30 years) toward post-65 health insurance costs.

**RESOLUTION OF GOVERNING BODY OF
NELSON COUNTY SERVICE AUTHORITY**

The Governing Body of the Nelson County Service Authority, consisting of 4 members, in a duly called meeting held on the 11th day of January, 2020, at which a quorum was present **RESOLVED** as follows:

BE IT HEREBY RESOLVED that, in order to facilitate obtaining financial assistance from the United States of America, United States Department of Agriculture, Rural Development (the Government) in the development of the Schuyler Sewer Project to serve the community, the Governing Body does hereby adopt and abide by all covenants contained in the agreements, documents, and forms required by the Government to be executed.

BE IT FURTHER RESOLVED that the Executive Director be authorized to execute, on behalf of the Board of Directors, the above-referenced agreements, documents, and forms and to execute such other documents including, but not limited to, debt instruments, security instruments, and/or grant agreements as may be required in obtaining the said financial assistance.

This Resolution is hereby entered into the permanent minutes of the meetings of this Board.

NELSON COUNTY SERVICE AUTHORITY
[ENTITY NAME]

By: [Signature] - Chairman
[SIGNATURE AND TITLE]

Attest: [Signature] Office Manager / Secretary / Treasurer
[SIGNATURE AND TITLE]

CERTIFICATION

I hereby certify that the above Resolution was duly adopted by the Governing Body of the Nelson County Service Authority in a duly assembled meeting on the 11th day of January, 2020.

[Signature]
Secretary/Clerk

BOARD OF
SUPERVISORS

THOMAS D. HARVEY
North District

ERNE Q. REED
Central District

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East District

ROBERT G. BARTON, JR.
South District

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West District



STEPHEN A. CARTER
County Administrator

GRACE E. MAWYER
Administrative Assistant/
Deputy Clerk

CANDICE W. MCGARRY
Director of Finance and
Human Resources

16 January, 2020

Mr. George T. Miller, Jr., Executive Director
Nelson County Service Authority
P. O. Box 249
Lovingson, VA 22949

Re: Schuyler Sewer System

Dear Mr. Miller:

In response to your letter dated January 8, 2020 requesting funding from Nelson County to assist the Nelson County Service Authority (NCSA) with the retirement of the Authority's "\$1,850,000 Water Revenue Bond for the Route 29 Corridor Sewer (dated February 18, 2000), as a means of enabling NCSA to apply to USDA-Rural Development for grant and loan funding for the Authority's Schuyler Sewer System Project, please be hereby advised of the Board of Supervisors approval in session on January 14, 2020 for Nelson County to provide funding to NCSA for one-half of the current balance of the Authority's herein referenced bond obligation with USDA-Rural Development. The Authority will provide funding to match the County's assistance and utilize the total funding to retire the 2000 bond obligation with USDA-RD.

Additionally, as Authority and County staff(s) have discussed, a decision on when the 2000 bond obligation will be repaid is necessary. Delaying repayment with an expectation the County will continue to provide the funding for the recurring bond payments until such time as the bond obligation is repaid is advantageous to the Authority but not to the County. The Board of Supervisors is being extremely helpful to the Authority in agreeing to provide one-half of the funding necessary to retire the Authority's 2000 bond obligation and thereby enable NCSA to be positioned to realize the 75% grant and 25% loan funding from USDA-RD that will enable the Authority to proceed with completion of its Schuyler Sewer System Project, which will also address the Authority's current consent decree with VA-DEQ. With respect to the County's assistance the Authority should reciprocate by not expecting or requesting the County to continue to provide funding for the 2000 bond when the bond can be repaid and repaid now rather than September 2021.

Please advise on how the Authority proposes to proceed with respect to the Board of Supervisors decision to provide financial assistance to NCSA inclusive of the concern denoted herein regarding repayment of the Authority's 2000 bond obligation.

Your assistance and cooperation are appreciated.

Respectfully,

A handwritten signature in black ink, appearing to read "Stephen A. Carter". The signature is fluid and cursive, with a long horizontal stroke extending from the end.

Stephen A. Carter
County Administrator

Cc: Nelson County Board of Supervisors
C. McGarry, Director, Department of Finance and HR

ADVERTISEMENT FOR BIDS

Sealed Bids for the Wintergreen Mountain Collection System CCTV Inspections 2020 will be received by the Nelson County Service Authority Administration Building, 620 Cooperative Way, Arrington, Virginia 22922, until 11:00 AM local time on February 13, 2020, at which time the Bids received will be publicly opened and read. The Project consists of closed-circuit television (CCTV) inspection services for approximately 40,000 LF of 12-inch and smaller gravity sanitary sewer pipes in Nelson County, Virginia. Bids will be received for a single prime Contract. Bids shall be on a unit price basis as indicated in the Bid Form. The Issuing Office for the Bidding Documents is: CHA Consulting, Inc., 1341 Research Center Drive, Suite 2100, Blacksburg, VA; Phone: (540) 552-5548, attn.: Libby Long at elong@chacompanies.com. Prospective Bidders may examine the Bidding Documents at the Issuing Office on Mondays through Fridays between the hours of 8:00 AM and 5:00 PM and may obtain copies of the Bidding Documents from the Issuing Office as described below. Bidding Documents also may be examined at 1 Square Foot, virginia@isqft.co, McGraw-Hill Dodge Plan Rooms, www.construction.com, and Valley Construction News, (540) 344-8127 emilyvnc@yahoo.com. Bidding Documents may be obtained from the Issuing Office during the hours indicated above. Bidding Documents are available on compact disc (as portable document format (PDF) files) for a non-refundable charge of \$25, including shipping via overnight express service. Alternatively, printed Bidding Documents may be obtained from the Issuing Office either via in-person pick-up or via mail, upon Issuing Office's receipt of payment for the Bidding Documents. The non-refundable cost of printed Bidding Documents is \$75 per set. The date that the Bidding Documents are transmitted by the Issuing Office will be considered the prospective Bidder's date of receipt of the Bidding Documents. Partial sets of Bidding Documents will not be available from the Issuing Office. Neither Owner nor Engineer will be responsible for full or partial sets of Bidding Documents, including Addenda if any, obtained from sources other than the Issuing Office. Bid security shall be furnished in accordance with the Instructions to Bidders.

