

MEMORANDUM

To: Board of Directors
From: Gary W. Fern, P.E., Executive Director
Date: December 10, 2009
Re: Oak Hill Sewer Project
cc: James M. Bowling, IV

The ACSA Engineering Department has been moving forward with the completion of design for the Oak Hill Phase 1 Sewer Project. Earlier this month, ACSA staff met with Mr. Ron White of the County of Albemarle Department of Housing to discuss applying for a Community Development Block Grant (CDBG). Mr. White referred to the CDBG Draft 2010 Program Design Document, which provides the following information:

1. The Virginia Department of Housing and Community Development (DHCD) anticipates distributing \$18,406,222 for Community Improvement Grants in Fiscal Year 2010. The Oak Hill Phase 1 Sewer Project is considered a community facility project; as such, the CDBG investment is limited to a maximum of \$12,500 per utility connection, up to a maximum of \$1,000,000 per project.
2. The deadline for applying to the DHCD is March 31, 2010; however, the application must be delivered to Mr. White for County action by February 26, 2010.
3. At the time of application, all User Agreements must be signed and all easements identified. The CDBG Program requires that all easements be obtained and the project be ready for construction immediately following the pre-contract period.
4. User Agreements are required because there is no Mandatory Connection Policy. User Agreements are required for all low-to-moderate income households (LMI).
5. User Agreements must be received from 75% of all households served by the project at the time of application; 51% of all actual users of the proposed wastewater system must be LMI. For comparison, of the 57 residences that will be served by the project, 41 responded to the

Income Survey presented earlier this year. The CDBG 2010 Program requires that 43 of the 57 residences will need to sign User Agreements for the application to be accepted; 22 of the 43 residences must be LMI.

6. The CDBG 2010 Program requires that service must be made available to any LMI residence located within 200 feet of the sanitary sewer, provided the cost for connection is less than \$3,500.
7. The CDBG 2010 Program requires that connection charges be waived for LMI residences. The ACSA has maintained a practice of treating all of its customers equally; the waiving of connection charges would be a departure from this practice. Consideration must also be given to those non-LMI residences which will be asked to connect to the system. Prior to committing resources to the completion of an application for the CDBG Funding, I am requesting that the Board provide staff with a decision on whether or not connection charges will be waived for LMI and non-LMI residences.
8. A Public Information Meeting has been scheduled for the project at 7:00 p.m. on Monday, December 14, 2009 at the County Office Building, 5th Street Extended, Conference Room A.

Board Action

We request that the Board of Directors make a determination on whether connection charges for the project will be waived for LMI and non-LMI residences.

GWF/dbh