

53

Augusta Water
Regular Board Meeting, Thursday, May 16, 2024, at 1:30 p.m.
Field Operations Training Room

PRESENT: Andrew C. Middleton, Chairman, North River District
Garry R. Gordon, Vice Chairman, Middle River District
Harvey Almarode, South River District
Allen Dahl, Beverley Manor District
Matthew Egeli, Wayne District
Timothy Simmons, Pastures District
Phil Martin, Executive Director
Brent Canterbury, Treasurer
Jean Marshall, Board Secretary

ABSENT: Michael L. Shull, Riverheads District

* * * * *

CALL TO ORDER

The Chairman called the meeting to order at 1:30 p.m.

* * * * *

RECOGNITION

Mr. Gordon commended Staff on the completion of the new Field Operations and Maintenance facility. He stated each time he visited the site continuous progress was being made. He also commended Jesse Roach, Director of Field Operations for overseeing the project in addition to his regular duties. Mr. Gordon thanked and recognized the following employees who regularly assisted with the project: Jonathan Keller, Josh Cash, Buck Thornton, Chad Hammer, Chuck Butler, Todd Jarvis, Chris McCray, Roy Harper, Joe Bryant, Gabe Butler, Jason Cook, Dustin Reynolds, and Clayton Breeden.

* * * * *

ADOPTION OF AGENDA

Mr. Martin requested the agenda be revised to add Authorization to Enter into Agreement with Augusta County, Shenandoah Valley Regional Airport and Dominion Drilling after Item 13, with all other Items following subsequently.

Mr. Gordon moved, seconded by Mr. Almarode to adopt the revised Agenda as presented.

Vote was as follows:

Yeas:	Middleton, Gordon, Almarode, Dahl, Egeli, and Simmons
Nays:	None

Motion approved.

APPROVAL OF MINUTES

Mr. Almarode moved, seconded by Mr. Simmons, to approve the Minutes of the Regular Board Meeting of April 18, 2024 which have been mailed to the members.

Vote was as follows:

Yeas: Middleton, Gordon, Almarode, Dahl, Egeli, and Simmons
Nays: None

Motion approved.

* * * * *

MATTERS PRESENTED BY THE PUBLIC

No members of the public were in attendance to make comments and no public comments were brought forth by Staff.

* * * * *

EXECUTIVE DIRECTOR’S HIGHLIGHTS

The Executive Director’s Highlights were included in the Board packet and reviewed with the Board members. Mr. Martin gave an update on the Consumer Price Index (CPI) and the Producer Price Index (PPI). The CPI increased 0.3% in April resulting in a 3.4% year to year increase. The PPI increased 0.5% in April, resulting in a 2.2% increase year to year.

There were no questions or discussion by the Board members.

* * * * *

PROGRESS REPORT

The April Progress Report was included in the Board packet and reviewed with the Board members. There were no questions or discussion by the Board members.

* * * * *

COMMITTEE REPORTS

A. Land and Water Committee

PROJECT GROWS LEASE – BERRY FARM

Mr. Dahl, Vice-Chairman of the Committee, stated the non-profit organization, Project Grows has been using land at the Berry Farm Water Treatment Plant property without permission from Augusta Water. Project Grows currently leases neighboring property from the County of Augusta and was unaware part of the property they have been utilizing for their events belongs to Augusta Water. This matter is being brought before the Board to determine if Augusta Water has an interest in leasing to Project Grows the property they have already been utilizing.

Regular Board Meeting, Thursday, May 16, 2024, at 1:30 p.m.

Mr. Martin explained the Executive Director for Project Grows, Clara Metzler contacted staff to request permission to use approximately 2.36 acres of Augusta Water’s property for employee parking, as well as buses and other vehicles of those visiting. Project Grows also desires to have access to portions of the proposed lease area for conducting educational field trips with area youth to educate them on the flora and fauna of various ecosystems. These areas would be in the rear field near the tree line and along the creek on the right side, as shown on the tax map presented to the Board members.

Mr. Martin also explained Augusta Water does not have any immediate plans to utilize the area shown for operations at the Berry Farm Water Treatment Plant. Mr. Martin stated Ms. Metzler mentioned the possibility of planting willow trees along the creek to stabilize some erosion that is currently taking place.

Mr. Dahl stated Randall Perdue, Legal Counsel for Augusta Water suggested if the Board does approve for Project Grows to continue to use the property, a License be issued to them instead of entering into a Lease.

Mr. Egeli stated the duty of care Augusta Water would owe to Project Grows would be more favorable for Augusta Water through a License.

This Land and Water Committee report constitutes a motion and a second to have Mr. Perdue draft a License for Project Grows to continue to utilize the parking area, allow field trips in the areas indicated on the tax map, and to use the creek as requested. The License is to also specify an adequate amount of insurance be carried by Project Grows. A separate agreement is to be drafted for the planting of the willow trees.

After discussion, the vote was as follows:

Yeas:	Middleton, Gordon, Almarode, Dahl, Egeli, and Simmons
Nays:	None

Motion approved.

B. Personnel Committee

CONSIDERATION OF MAKING REQUEST TO INCREASE BOARD COMPENSATION

Mr. Simmons, Chairman of the Personnel Committee, stated the Committee met to discuss the compensation for Board members. Augusta Water’s Board members have not received an increase in compensation for many years. Although serving on the Board is not about the compensation, an increase will help attract good Board members. Because of the responsibilities of their positions, the Committee is recommending the Chairman and Vice-chairman of the Augusta Water Board be paid \$250 for each Board meeting or Committee meeting they attend. The remaining Board members will be paid \$200.00 for every regular Board meeting or committee meeting they attend. Each Board member will receive an increase of \$10 per year, capping out at ten years. Mr. Martin will send a Memo to the Augusta County Board of Supervisors stating the details of the request for their approval. The compensation changes, if approved, will take effect July 1.

Regular Board Meeting, Thursday, May 16, 2024, at 1:30 p.m.

Mr. Martin explained Augusta Water currently compensates Board members at the rate of \$100 per each Board meeting and \$50 per each Committee meeting. A review of Board meeting minutes did not find any mention of initiating this schedule of compensation, nor any mention of adjusting it in the past. A review of past annual operating budgets indicates as far back as FY-94 a similar amount to what is now budgeted for Board expenses was included.

Several water and waste authorities were polled as to their level of compensation for the board members. Mr. Martin presented the results of the poll.

Cumulative inflation since July, 1993, when the FY-94 budget was enacted, shows a 216.3% increase. Since FY-94 Augusta Water’s operating budget has increased by 580.9%.

Mr. Martin cited §15.2-5113-C of the Virginia Water and Waste Authorities Act to confirm the compensation is set by the governing body of the member organization: “Board members shall receive such compensation as fixed by resolution of the governing body or bodies which are members of the authority, and shall be reimbursed for any actual expenses necessarily incurred in the performance of their duties.”

This Personnel Committee report constitutes a motion and a second to the full Board to request the Augusta County Board of Supervisors approve the Compensation Schedule presented at this meeting for the Augusta Water Board of Directors.

After discussion, the vote was as follows:

Yeas: Middleton, Gordon, Almarode, Dahl, Egeli, and Simmons
Nays: None

Motion approved.

* * * * *

UPCOMING SOLAR PROJECT – ELM SPRING II

Mr. Martin reviewed the proposed Elm Spring II solar project with the Board members. The project will be located at 2129 Jefferson Highway. The property contains 81.13 acres of land, with 23 acres being fenced for the panels. The property is in an Urban Service Area with a future use of Community Mixed Use on Augusta County’s Comp Plan. The potential loss of revenue for Augusta Water is \$1.75M, if the project is approved by Augusta County boards.

After discussion, the Board instructed Mr. Martin to send a memo to the County Boards detailing the impact the project could potentially have on Augusta Water. They agreed Mr. Martin would not need to attend the County Board meetings regarding the project.

* * * * *

AUTHORIZATION TO ISSUE PURCHASE ORDER FOR MOUNT SIDNEY WATER STORAGE TANK

Mr. Martin stated, the approved FY-23 Capital Budget (effective July 1, 2022) included \$728,000 for a new Mount Sidney Water Storage Tank. Since that time, engineering design,

Regular Board Meeting, Thursday, May 16, 2024, at 1:30 p.m.

and grading has taken place, using up approximately \$105,000. This leaves approximately \$623,000 of approved, budgeted funds.

Bids for construction of the tank were opened on April 19, 2024 and Mid Atlantic Storage Systems, Inc. was the low bidder, proposing an AWWA D103 Factory-Coated Bolted Glass Steel Tank for a total cost of \$655,003.00. While this amount is within our estimate, it exceeds the amount of money currently left in the budget.

The proposed FY-25 Capital Budget includes an additional \$327,000 to cover the additional cost of the tank, as well as the line work needed to connect the new tank, constructing a building to house the meters, valves, and electrical controls, and final site work, such as slope and site stabilization, gravel parking area, fence modifications, etc.

Augusta Water’s Purchasing Policies and Procedures state in §1.3 SIGNATURE AUTHORITY, Paragraph 1.3.4 “Authorizations up to the approved budget amount for purchases fully funded in an approved budget can be approved by the Executive Director.” Since the amount for the P.O. to Mid Atlantic exceeds the remaining funds from the FY-23 budget, even though additional funds are in the proposed FY-25 Budget, authorization to issue a purchase order must come from the Board.

Mr. Martin requested the Board authorize staff to execute a Purchase Order in the amount of \$655,003.00 to construct an AWWA D103 Factory-Coated Bolted Glass Steel Tank adjacent to the old Mount Sidney Water Storage Tank.

After discussion, Mr. Gordon moved, seconded by Mr. Simmons to authorize staff to execute a Purchase Order in the amount of \$655,003.00 to construct a new storage tank as described above.

Vote was as follows:

Yeas:	Middleton, Gordon, Almarode, Dahl, Egeli, and Simmons
Nays:	None

Motion approved.

* * * * *

CONSIDERATION OF SIGN FOR MIDDLE RIVER

Mr. Martin stated, with the completion of the new Field Operations and Maintenance facility, it is Staff’s desire to erect a new sign at the entrance on Laurel Hill Road. The signage currently located there is minimalist at best and has led to confusion over the years with people looking for the Middle River Regional Jail, and more recently with vendors having difficulties finding the facility.

Additionally, the Executive Director’s FY-24 Goals include addressing signage at Augusta Water facilities, and last year’s rebranding makes this an opportune time to increase Augusta Water’s visibility.

This sign will be at the entrance of Augusta Water’s largest wastewater treatment facility. The site will be the location with the largest single concentration of employees, encompassing the two largest departments. Both the Fleet Services and the Warehouse, which serve the entire organization and routinely take deliveries from vendors will be located here. Lastly, the new organization-wide training room, which will host our own Board meetings, VWWAA Board Meetings, and other training events is located here. For these reasons, at the May Agenda-Setting Meeting, it was suggested the full Board have an opportunity to provide input on the proposed sign. Additionally, signs for the Fishersville and Stuarts Draft WWTPs will follow the same pattern as what is selected here.

Mr. Martin showed several examples of signs and asked the Board members for their input.

After some discussion, Mr. Simmons moved, seconded by Mr. Dahl to allow a sign to be erected at the entrance of Laurel Hill Road and for Staff to determine the style and design of the proposed sign.

Vote was as follows:

Yeas:	Middleton, Gordon, Almarode, Dahl, Egeli, and Simmons
Nays:	None

Motion approved.

* * * * *

AUTHORIZATION TO ENTER INTO AGREEMENT WITH AUGUSTA COUNTY, SHENANDOAH VALLEY REGIONAL AIRPORT, AND DOMINION DRILLING

Mr. Martin explained to the Board members last year the Shenandoah Valley Regional Airport (SVRA) installed an 8” private water line along portions of Valley Church Road and Airport Road. Even though private, the line was constructed to Augusta Water standards with fire hydrants facing Airport Road. SVRA is now preparing to extend the 8” line to the intersection of Airport Road and Aviation Circle, and is shown as Line “C” on an aerial map (Map) which was emailed to the Board members prior to this meeting.

Dominion Drilling is proposing a new facility near the intersection of Airport Road and Valley Church Road. They proposed a connection to the Airport’s water line, shown as Line “B” on the Map, but were told the Airport line was private and therefore not eligible for connection. Dominion Drilling has now submitted plans for an extension from Weyers Cave Road, shown on the Map as Line “A”.

With the Blue Mountain site directly across the road from the SVRA proposed extension, and a public extension proposed near the intersection of Airport Road and Valley Church Road, there could be benefits to all parties if there was a 12” public line extending from Weyers Cave Road to Aviation Circle. The existing section of the 8” line SVRA installed last year will remain as is for the foreseeable future.

Staff has met with representatives from SVRA, Augusta County, and Dominion Drilling and has developed a Cost Sharing Worksheet, which was presented to the Board members. Both Augusta County and Dominion Drilling have given verbal support for this schedule of costs.

59

Regular Board Meeting, Thursday, May 16, 2024, at 1:30 p.m.

SVRA has also voiced support but have limited time to spend grant funds on this project. They have requested a commitment for upsizing Line “C” no later than May 24, as this is the deadline to order the pipe.

Mr. Martin requested the Board provide Staff with firm requirements to be in place before any commitment of Augusta Water funds is made. Mr. Martin also requested the Board authorize him to enter into a Cost Sharing Agreement with Augusta County and Dominion Drilling.

After discussion by the Board members, the following two motions were made:

1. Mr. Gordon moved, seconded by Mr. Egeli for Staff to inform the SVRA Augusta Water will pay for the upgrade of line “C” as shown on the Map, contingent upon Augusta County’s decision regarding this matter at their next Board Meeting on May 22, 2024.
2. Mr. Gordon moved, seconded by Mr. Egeli to allow Mr. Martin to sign the Cost Sharing Agreement with Augusta County and Dominion Drilling, not to exceed \$300,000.00, and subject to legal counsel approval.

Vote for each motion was as follows:

Yeas:	Middleton, Gordon, Almarode, Dahl, Egeli, and Simmons
Nays:	None

Motion approved.

* * * * *

FY2025 DRAFT BUDGET

Mr. Canterbury reviewed the highlights of the draft budget as it was presented to the Board at the April meeting. He reminded the Board the Personnel Committee recommended a 5% COLA and 2% merit increase for employees, and the Finance Committee recommended a 3% rate increase in the water and the sewer variable rates.

Mr. Canterbury stated, since the April Board meeting, \$95,000.00 has been added to the Capital Budget for two additional projects: \$50,000.00 for Facility Signage and \$45,000 for a lagoon aerator at the Stuarts Draft WWTP.

There has been one addition of \$40,000.00 added to the Operating Expense Budget for the demolition of the existing house at the Berry Farm WTP, which will occur in FY25.

Mr. Canterbury also discussed changes to the Fee Schedule. The 2” Backflow Preventer deposit is being increased from \$500.00 to \$1000.00 to cover the cost of any damage to the preventer caused by the customer. The average cost to repair a preventer is around \$900.00.

Mr. Canterbury requested the Board authorize Staff to proceed with advertising the proposed rate schedule and set a Public Hearing to coincide with the June 20 Board of Directors meeting.

After discussion by the Board members, Mr. Egeli moved, seconded by Mr. Simmons to authorize staff to advertise the proposed rate schedule and to set a Public Hearing to coincide with the June 20 Board of Directors meeting.

Regular Board Meeting, Thursday, May 16, 2024, at 1:30 p.m.

Vote was as follows:

Yeas: Middleton, Gordon, Almarode, Dahl, Egeli, and
Simmons
Nays: None

Motion approved.

* * * * *

BOARD COMMENTS

Mr. Almarode stated the new facility looks great.

* * * * *

ADJOURNMENT

There being no further business, Mr. Gordon moved, seconded by Mr. Simmons to adjourn the meeting at 3:20 p.m.

Vote was as follows:

Yeas: Middleton, Gordon, Almarode, Dahl, Egeli, and
Simmons
Nays: None

Motion approved.

Board Secretary

Chairman