

Augusta Water
Regular Board Meeting, Thursday, December 21, 2023, at 1:30 p.m.
Board Meeting 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
Michael L. Shull, Riverheads District
Timothy Simmons, Pastures District
Phil Martin, Executive Director
Brent Canterbury, Treasurer
Jean Marshall, Board Secretary

ABSENT: None

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CALL TO ORDER

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

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ADOPTION OF AGENDA

Mr. Shull moved, seconded by Mr. Dahl to adopt the Agenda as presented.

Vote was as follows:

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

Motion approved.

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APPROVAL OF MINUTES

Mr. Shull moved, seconded by Mr. Gordon, to approve the Minutes of the Regular Board Meeting of November 16, 2023, which have been mailed to the members.

Vote was as follows:

Yeas: Middleton, Gordon, Almarode, Dahl, Egeli,
Shull, 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.

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EXECUTIVE DIRECTOR'S HIGHLIGHTS

1. Mr. Martin explained one of the permit requirements for the Dices Spring plant is to maintain a pH level between 6.5 and 9.5 on the water softener backwash discharge. A recent backwash sample from the softener resulted in a pH balance of 6.17. A possible cause for the abnormal pH balance may be due to the softener running more frequently because of the hardness of the water in the Dices Spring area. In order to correct the issue and raise the pH balance, raw water will be routed into the backwash discharge going forward.

Dr. Middleton stated using the alkalinity of the raw water to raise the pH balance is a very creative idea.

2. Mr. Martin stated an E. coli sample was taken at one of the smaller wastewater treatment plants earlier this month; however, the sample was not submitted to DEQ as required. This was an operator error and the issue is being addressed.
3. Mr. Martin reminded the Board members, as part of the rebranding process, an Augusta Water email address has been created for each of them. He asked the members to confirm if they would like to begin using the assigned Augusta Water email address, or continue using their current email address. Each Board member stated they wish to continue using their current email address.
4. Mr. Martin stated he attended the Augusta County Board of Supervisors meeting on December 13 to offer comments in support of the proposed Solar Ordinance amendments. Those amendments were adopted by the Board of Supervisors and will apply to all new solar project requests. The former ordinance regulations will apply to requests made before the December meeting. Mr. Martin informed the Board members the Wayne Avenue Solar 2 project was approved by the Augusta County Board of Zoning Appeals at their December meeting.
5. Mr. Martin stated a property owner has submitted a request to Augusta County to rezone their property from Single Family Residential to General Agriculture. Mr. Martin asked the Board members if they wish for him to attend the Augusta County Planning Commission meeting to offer comments regarding the request, although he feels it would be difficult to calculate the potential loss of revenue due to the nature of the request. The Board members collaboratively agreed Mr. Martin should not offer comments regarding this request.
6. Mr. Martin stated he has been contacted by DEQ regarding the closure of the Augusta Correctional Facility (Facility) located near the Town of Craigsville (Town) and how the closure will affect the Town. Currently, the wastewater from the Town is treated at

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the treatment plant located at and operated by the Facility. Mr. Martin will be talking with Mayor Fox regarding this issue and to determine if any assistance is needed from Augusta Water at this time.

- 7. Mr. Martin stated he attended the Virginia Drinking Water Association virtual meeting this week. The Assistant Attorney General is proposing a PFAS common interest group be formed, as a way to securely exchange information between utilities and the Attorney General’s office, as well as between utilities themselves. Further details and information will be presented at the January meeting.
- 8. Mr. Martin stated Staff is requesting a Closed Session be held during the January meeting to discuss the ongoing issues between the Surety and Augusta Water regarding the Middle River clarifier restitution claim.

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PROGRESS REPORT

The December Progress Report was included in the Board packet and was reviewed with the Board.

There were no questions or discussion by Board members.

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COMMITTEE REPORTS

Finance Committee

Mr. Gordon reported the Finance and Audit Committee received and reviewed the audit report from PBMares. The report was unmodified, which means Augusta Water’s financial statements were well prepared and complied with account standards. The Committee commended Mr. Canterbury and his staff on a job well done.

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2023 YEAR END FINANCIAL REPORT

Mr. Canterbury reviewed the FY-23 financial highlights with the Board as presented on PowerPoint. He reported operating revenues were \$24.1M in FY-23 and \$0.9M above budget and \$1.3M above FY-22. Water consumption in FY-23 was 0.7% below budget, while sewer usage was 1.6% above budget. Operating expenses were \$15.3M in FY-23, \$0.3M below budget and \$2.2M above FY-22. Operating income was \$2.3M for the year, which was approximately \$1.3M above budget and \$1.0M under the prior year. The main causes for the increase were higher sewer usage, operating revenues being \$946K above budget, and operating and depreciation expenses being lower than budgeted. The net position increased approximately \$3.5M, which is above the budget by approximately \$2.1M, but \$0.6M under the prior year. Augusta Water invested \$6.1M in capital assets in FY-23. Debt covenants were met with a 2.92 debt coverage ratio for FY-23. Higher than budgeted operating revenues,

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availability fees, and lower than budgeted operating expenses were the main drivers of the increase.

Augusta Water’s finances remained stable during FY-23 and are well positioned to move into FY-24 and beyond. Sound financial planning by Staff and the Board during the upcoming budget process will ensure Augusta Water’s finances are adequate for years to come.

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FINALIZING DATE FOR BOARD RETREAT

Mr. Martin and the Board members agreed to hold the Strategic Planning meeting on the same day as the regular Board meeting on Thursday, February 15, 2024 at the Frontier Culture Museum in the Lecture Hall. The regular Board meeting will start at 9:00 AM, with the Strategic Planning meeting to follow.

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BOARD COMMENTS

All Board members thanked Augusta Water staff for the work they do, and they wished all staff a Merry Christmas and Happy New Year.

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ADJOURNMENT

There being no further business, Mr. Egeli moved, seconded by Mr. Simmons to adjourn the meeting at 2:10 p.m.

Vote was as follows:

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

Motion approved.

Board Secretary

Chairman