

Augusta County Service Authority
Regular Board Meeting, Monday, February 6, 2017, at 1:30 p.m.
Board Meeting Room

PRESENT: Larry J. Wills, Chairman, Middle River District
Andrew C. Middleton, Vice Chairman, North River District
G.L. "Butch" Wells, Beverley Manor District
Tracy C. Pyles, Jr., Pastures District
Carolyn S. Bragg, South River District
John H. Graves, Wayne District
Michael L. Shull, Riverheads District
Kenneth Fanfoni, Executive Director
William Monroe, Deputy Executive Director of Administration/Engineering
Jesse Roach, Deputy Executive Director of Operations
Brent Canterbury, Director of Finance
Tony Morse, Director of Treatment Operations
Casey McCracken, Customer Service & Technology Manager
Tiina Solak, HR & Training Manager
Steve McAllister, Field Operations Superintendent
Sheri Heflin, Board Secretary
Sallie Trimble, Assistant Board Secretary

ABSENT: None

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APPROVAL OF MINUTES

Ms. Bragg moved, seconded by Mr. Shull, to approve the minutes of the Regular Board Meeting of January 9, 2017, which had been mailed to the members and no corrections were being made.

Vote was as follows:

Yeas: Wills, Middleton, Wells, Pyles, Bragg, Shull
and Graves
Nays: None
Absent: None

Motion approved.

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PROGRESS REPORT

The Progress Report for February is on file in the Secretary's office and was reviewed with the Board.

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WASTEWATER CHEMICALS – BID AWARD

On December 27, 2016, an Invitation to Bid was issued for Biocarb DN and Polymer. Bids were opened on January 16. Suffolk Sales & Service Corporation was the lowest bidder for Biocarb DN, and Environmental Operating Solutions, Inc. was the second lowest bidder. Polydyne, Inc. was the lowest bidder for Polymer, and Univar USA Inc. was the second lowest bidder.

Staff noted that the pricing on both chemicals came in less than the previous pricing, and based on estimated usage it is expected that the chemical costs should decrease by \$47,921.50 for one year.

To insure chemical availability, Staff recommended that contracts be awarded to both the lowest and second lowest bidders for both chemicals.

Mr. Pyles moved, seconded by Ms. Bragg, to approve Staff's recommendation as presented.

Vote was as follows:

Yeas:	Wills, Middleton, Wells, Pyles, Bragg, Shull and Graves
Nays:	None
Absent:	None

Motion approved.

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MILL PLACE WATER LINE

At the January Board meeting, there was significant discussion concerning the next phase of the Berry Farm Improvement project and the construction of a Mill Place connector line. Staff and the Board agreed that it may be more beneficial to proceed with construction of a new line from the Mill Place Tank to Route 262 along Country Club Road, rather than installing a line that would provide water to the Mill Place Tank from the Berry Farm Treatment Plant. The Board suggested that the cost of the project could be shared with the County as there would be an improvement in fire flow around the I-81 interchange area, as well as the potential for economic development following construction of the line. Staff pointed out that this new line would meet the County's minimum fire flow requirement of 1,000 gpm for commercial areas.

Staff prepared a draft memo to send to the Board of Supervisors that would formally request funding for the project, and requested direction from the Board in regards to sending it to the County.

MILL PLACE WATER LINE (CONTINUED):

Additional engineering work would need to be completed for the project along Country Club Road. Staff presented a proposal from Peed & Bortz, LLC to begin this work. After brief discussion, Mr. Pyles moved, seconded by Mr. Wells, to forward the request for funding to the Board of Supervisors, and for Staff to not proceed with any part of the project until a response is received from the County.

Vote was as follows:

Yeas:	Wills, Middleton, Wells, Pyles, Bragg, Shull and Graves
Nays:	None
Absent:	None

Motion approved.

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SPRING LAKES – IMPACT OF ROAD DEDICATION

The Virginia Department of Transportation is in the process of adopting several private roads in the Spring Lakes Subdivision. Since these roads were originally constructed as private roads, the water and sewer utilities were permitted to be installed in the roadway.

Staff noted that there is approximately one mile of line in this section of Spring Lakes, and that maintaining the utilities in public streets increases maintenance costs to the Service Authority. Staff also noted that several repairs have been needed in the past.

Staff brought this to the Board as information only. No action from the Board is requested at this time.

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PROCUREMENT OF BUDGETED VEHICLE

Service Authority construction crews utilize five dump trucks, three of which were manufactured in the early 1990s and are becoming less functional. The truck with the worst repair history has had approximately \$35,000 spent in major repairs, including a new motor, transmission (twice), and multiple rear end repairs. Staff noted that when this truck is fully loaded it can become a traffic hindrance because it cannot maintain adequate speed on inclines and on the interstate. The hauling capacity of this vehicle is also limited.

Staff received a quote from Truck Enterprise, Inc., through the National Joint Purchasing Alliance, in the amount of \$110,226.15 for a 2018 Kenworth single axle dump truck with a lift axle that increases the load capacity from 9-ton to 15-ton. Staff stated that the old dump truck would most likely be sold at auction.

PROCUREMENT OF BUDGETED VEHICLE (CONTINUED):

Staff recommended that the Board authorize the Executive Director to issue a purchase order in the amount of \$110,226.15 to Truck Enterprise, Inc. for the 2018 Kenworth dump truck.

Mr. Pyles moved, seconded by Mr. Graves, to approve Staff’s recommendation as presented.

Vote was as follows:

Yeas:	Wills, Middleton, Wells, Pyles, Bragg, Shull and Graves
Nays:	None
Absent:	None

Motion approved.

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FY2018 BUDGET INTRODUCTION

Staff presented a preliminary review of the FY2018 budget to the Board, including usage and revenue trends, reserve fund status, debt management and debt coverage ratio recovery, depreciation investment in infrastructure, and capital projects outlook.

Staff noted that future Water Availability Fees which exceeded budget expectations could be moved to a Substandard Water Line Replacement Fund.

Staff pointed out that the Service Authority continues to save money annually by using in-house labor on projects and maintenance rather than buying service contracts, by implementing energy savings programs, and by improving financing terms on debts.

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BOARD COMMENTS

The Board thanked Mrs. Heflin for her nine years of service as Board Secretary.

Mr. Wills asked whether adding a full-time position to assist with easements should be considered this budget cycle. Staff reported that a temporary part-time employee had been hired, but future projects will require additional easements and a permanent position could be very beneficial. Mr. Graves also felt it would be appropriate to look into funding a full-time position. Mr. Wills asked Staff to evaluate the benefit of a full-time position and bring it back to the Board.

Staff presented a brief overview of the existing Field Office and a future needs assessment for the field operations unit. Mr. Wills asked the Board for general comments on this matter. Mr. Pyles stated that he did not feel that the Service Authority could afford a new facility at this time, and that Staff should discuss current needs with County offices, such as Fire & Rescue, to see if there is a way to form a combined facility that meets everyone’s needs. Mr.

BOARD COMMENTS (CONTINUED)

Wells and Dr. Middleton both felt that the current facility is inadequate for current and future needs. Mr. Graves stated that even though the Service Authority is under certain budget restrictions, a new facility should still be considered. Ms. Bragg felt that something needed to be done, but that all options should be explored. Mr. Shull did not feel a decision needed to be made today, and that the Service Authority should see if there is a way to work with the Augusta County School Board to find a possible joint shop space. Further discussion will be held in Closed Session.

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CLOSED SESSION

Dr. Middleton moved, seconded by Mr. Shull, to convene in closed session pursuant to Virginia Code §2.2-3711(A)(3), for discussion of consideration of the acquisition of real property for a public purpose, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body; pursuant to Virginia Code §2.2-3711(A)(6), to discuss the consideration 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; and, pursuant to Virginia Code §2.2-3711(A)(1), to discuss personnel matters.

Vote was as follows:

Yeas:	Wills, Middleton, Wells, Pyles, Bragg, Shull and Graves
Nays:	None
Absent:	None

Motion approved.

After a brief recess, the Closed Session reconvened in the Augusta County Service Authority Large Conference Room.

Mr. Pyles moved, seconded by Ms. Bragg, to come out of closed session.

Vote was as follows:

Yeas:	Wills, Middleton, Wells, Pyles, Bragg, Shull and Graves
Nays:	None
Absent:	None

Motion approved.

Board members were requested to certify that only matters pertaining to Virginia Code §2.2-3711(A)(3), Virginia Code §2.2-3711(A)(6), and Virginia Code §2.2-3711(A)(1) were discussed. Members certifying were Wills, Middleton, Wells, Pyles, Bragg, Shull and Graves.

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There being no further business, the meeting was adjourned at 5:00 p.m.

Assistant Secretary

Chairman