

Augusta County Service Authority
Public Rate Hearing and Regular Board Meeting, Monday, June 12, 2017, at 4:00 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
William Monroe, Deputy Executive Director of Administration/Engineering
Jennifer Hoover, Senior Project Engineer
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
Greg Thomasson, Director of Solid Waste Management
Jodi Davis, Land Acquisition Technician
Sallie Trimble, Assistant Board Secretary

ABSENT: Michael L. Shull, Riverheads District
Kenneth J. Fanfoni, Executive Director

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PUBLIC RATE HEARING

Mr. Wills opened the Public Hearing at 4:00 p.m. The purpose of this hearing was to consider an increase in water and sewer user rates that will become effective July 1, 2017.

This hearing and these proposed changes were properly advertised in the *Daily News Leader* and in *The News Virginian* on Sunday, May 14, 2017, and Sunday, May 21, 2017.

With the Board having satisfied their inquiries regarding these matters, the Chairman declared the meeting open to the public.

With no members of the public present to comment, the Public Hearing was declared closed at 4:04 p.m.

Mr. Pyles moved, seconded by Mr. Middleton, to adopt the proposed user rates as advertised, effective for all bills created after July 1, 2017.

Vote was as follows:

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

PUBLIC HEARING (CONTINUED):

Motion approved.

There being no further business, the Public Hearing was adjourned at 4:04 p.m.

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CONSIDER ADOPTION OF FY2018 BUDGET

Mr. Pyles moved, seconded by Mr. Middleton to accept the budget as submitted.

Vote was as follows:

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

Motion approved.

After discussion, Ms. Bragg moved, seconded by Mr. Pyles, to hold all capital projects and hiring until the new executive director is hired, with the exception of projects currently underway, the I&I project that is out for bid, waterline replacements, and the safety position.

Vote was as follows:

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

Motion approved.

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APPROVAL OF MINUTES

Mr. Pyles moved, seconded by Mr. Wells, to approve the minutes of the Regular Board Meeting of May 8, 2017, which had been mailed to the members and no corrections were being made.

Vote was as follows:

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

Motion approved.

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MATTERS PRESENTED BY THE PUBLIC – BILL ADJUSTMENTS

Nexus Services: On May 22, Timothy Donovan with Nexus Services came in to request an adjustment for a recent underground leak which had been repaired on May 19. The affected bill was mailed on May 26 for a total of \$15,285.59 (1.076 million gallons).

Per Customer Service Policies 5.4 and 5.5, Nexus Services would be eligible for the standard underground leak adjustment. For the water portion of the bill, any usage over double their average consumption would be forgiven. For the sewer portion of the bill, any usage over their average consumption would be forgiven. As a result of this adjustment, the revised bill would be \$1,593.83.

The overall adjustment is \$13,691.76 and policy requires approval from the Board prior to adjusting a customer's account for more than \$5,000.

Therefore, Staff requested Board approval to make the adjustment to the customer's account.

Mr. Wells moved, seconded by Mr. Graves, to approve the proposed bill adjustment for Nexus Services.

Vote was as follows:

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

Motion approved.

Augusta Farms Apartments: On May 16, Michelle Childress with Augusta Farms Apartments emailed to request an adjustment for a recent underground leak which had been repaired on May 10. The affected bill was mailed on May 12, and was for a total of \$95,191.47 (6.746 million gallons).

Per Customer Service Policies 5.4 and 5.5, Augusta Farms Apartments would be eligible for the standard underground leak adjustment. For the water portion of the bill, any usage over double their average consumption would be forgiven. For the sewer portion of the bill, any usage over their average consumption would be forgiven. As a result of this adjustment, the revised bill would be \$9,318.53.

The overall adjustment is \$85,872.94 and policy requires approval from the Board prior to adjusting a customer's account for more than \$5,000.

Therefore, Staff requested Board approval to make the adjustment to the customer's account.

Ms. Bragg moved, seconded by Mr. Wells, to approve the proposed bill adjustments for Augusta Farms Apartments.

MATTERS PRESENTED BY THE PUBLIC – BILL ADJUSTMENTS (CONTINUED)

Vote was as follows:

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

Motion approved.

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PROGRESS REPORT

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

Staff presented a request for a Letter of No Objection received from Atlantic Coast Pipeline, dated June 7, 2017. Staff and the Board agreed that the Service Authority could not provide a Letter of No Objection, but would respond to the request noting prior concerns that need to be addressed by Atlantic Coast Pipeline.

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STUARTS DRAFT WELL, LAND PURCHASE

For some time, Staff have been working to acquire a site in the South River Water System that would be suitable for a future well with a good yield. The goal is to have a site reserved under Authority ownership that could be developed immediately, when needed, to accommodate future water demands.

The next step is to secure the property and then perform a flow test with a pump over a 48 hour period. Samples will be taken to satisfy VDH requirements (inorganics, metals, total coliform, E. coli). Preliminary tests show this water has very low turbidity and normal hardness. Characteristics are similar to the existing Ridgeview well which only requires chlorination and fluoridation. Another step in finalizing this location as a permanent well would be to add source water protection Area 1 into the County maps through a public hearing. Source water protection Area 2 for this new well would be within the existing Area 2 so no additional areas would need to be added for this portion of the ordinance.

In addition, the current permit for the South River Water System is limited by source supply. Once this well is incorporated into the system and the VDH permit is amended, this will increase the permitted capacity of this system.

Staff recommended payment to the property owner be made in the amount of \$50,000 for the well yield and an additional \$72,000 for 1.5 times the appraised land value in accordance with the option agreement. Funds are available in the FY17 budget under Project code 1650011.

STUARTS DRAFT WELL, LAND PURCHASE (CONTINUED)

Mr. Pyles moved, seconded by Mr. Graves, to approve the land purchase as presented.

Vote was as follows:

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

Motion approved.

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WATER METER REPLACEMENT PRESENTATION

Following up from last month's discussion, Staff presented the requested additional information on a cellular only water meter reading system. Topics presented were; hybrid versus full cellular review, current cellular coverage, solutions for poor signal areas, roll out schedule, staffing needs, and operating cost comparison.

Based on a revised LTE cellular propagation study, most of the Authority meters could be read using a cellular system. The study did show 408 meters that did not currently have coverage, mostly in the western portion of the county. Staff's recommended plan of action was to change these services near the end of the project, thereby allowing additional time for cellular coverage to improve. Initial discussions with Badger Meter indicated they were working to add additional cellular carriers and that the current carriers were developing new options that may improve coverage. To this point, Mr. Pyles also indicated efforts were being made to add additional towers and coverage to the western portion of the county and that the cellular reading system may boost that effort. In the event the coverage did not improve, radio based collectors could be installed and used in place of the cellular system and endpoints. The Authority would be responsible for acquiring these tower locations and constructing the towers. These towers are typically small lattice style towers or long telephone poles, and would not be suitable for use by cellular vendors. If it is not feasible to install a tower and collector, mobile endpoints could be installed and read using a drive-by system.

In response to questions in last month's meeting regarding operating costs, Staff presented a review of the meter technician duties both during and after the meter replacement project. This review was followed by a potential transition plan for some meter personnel at the end of the meter replacement project. The plan also included a list of potential duties these meter technicians could assume until another opportunity became available within the Authority. This transition plan is dependent upon the selected reading system and other opportunities becoming available within the Authority. As a result, it may need to be adjusted during the project.

WATER METER REPLACEMENT PRESENTATION (CONTINUED)

After discussion, Staff requested authorization to negotiate a contract with Badger Meter through Carolina Meter and Supply Inc. The primary goal of the negotiation would be for a full cellular system, but a final cost would also be determined for a hybrid (drive-by + cellular) system.

Mr. Pyles moved, seconded by Mr. Wells, to start the negotiation process with Carolina Meter and Supply Inc., but to hold off on any legal review of the proposed contract until the new Executive Director is hired.

Vote was as follows:

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

Motion approved.

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POLICY AMENDMENT: 11.1 – PURCHASING POLICIES AND PROCEDURES

While reviewing the Authority’s purchasing policies, Staff noticed that no procedure had been included for negotiating a contract in the event the lowest responsive and responsible bid exceeded available funds. VA Code 2.2-4318 requires the negotiation procedure to be documented and approved by the public body prior to the issuance of any Invitations for Bid that require its use. Without this procedure, the only alternative is to reject all bids.

Authority OPPM Policy 11.1 – Purchasing Policies and Procedures has been revised to include a negotiation procedure in cases where the lowest bid exceeds available funds.

Staff recommended the Authority Board adopt the revised OPPM Policy 11.1.

Mr. Pyles moved, seconded by Mr. Wells, to adopt the revised policy as presented.

Vote was as follows:

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

Motion approved.

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Public Rate Hearing and Regular Board Meeting, Monday, June 12, 2017, at 4:00 p.m.

BOARD COMMENTS

Mr. Wills thanked the Board and Staff for a great year as Chairman.

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There being no further business, the meeting was adjourned at 4:55 p.m.

Assistant Secretary

Chairman