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Augusta County Service Authority
Regular Board Meeting, Thursday, March 16, 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. Martin requested to revise the Agenda to add a Closed Session as Item 11, with all other items following subsequently.

Mr. Simmons moved, seconded by Mr. Gordon to adopt the revised Agenda.

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. Gordon moved, seconded by Mr. Simmons, to approve the Minutes of the Regular Board Meeting of February 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.

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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

City of Richmond Water Bill Amnesty Policy News Article

Mr. Martin provided a news article to each Board member regarding the City of Richmond recently ending their pandemic-era water bill amnesty policy. The article stated the City of Richmond accumulated more than \$60M in delinquent bills during the amnesty period. Mr. Martin stated this article validates the decision the Board made to end the moratorium for non-payment in 2021 for ACSA customers.

CPI and PPI Update

Mr. Martin stated the Consumer Price Index increased by 0.4% in February resulting in a 6.0% increase year to year. The Producer Price Index decreased by 0.1% resulting in a 4.6% increase year to year.

PFAS Testing

Mr. Martin stated the EPA is proposing the maximum contaminate level (MCL) for PFAS and PFOA be set at 4.0 parts per trillion (PPT).

Mr. Dahl asked how PFAS is treated if it is found.

Mr. Martin stated, normally PFAS would be treated using either a granular activated carbon filter or through reverse osmosis.

Mr. Dahl asked if the test results have been received for testing done at ACSA facilities.

Mr. Martin stated no validated results have yet been received.

Mr. Egeli asked if the 4.0 PPT MCL rule is legally enforceable.

Mr. Martin stated the 4.0 PPT maximum contaminant level is being proposed and is not a federal regulation at this point.

April 20 Board Meeting Relocation

Mr. Martin explained to the Board the April 20 meeting will need to be held at another location due to Augusta County Public Schools needing access to the Board meeting room. He suggested the April meeting be held in the conference room at the Middle River Treatment Plant. The Board members agreed with the suggestion.

PROGRESS REPORT

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

There was no discussion regarding the Progress Report.

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COMMITTEE REPORTS

Executive Committee

Dr. Middleton submitted the Minutes from the March 3, 2023 Executive Committee meeting, stating the purpose of the meeting was to consider the situation of the ACSA Seasons Ridge Pump Station located at 99 Spring Ridge Drive in Stuarts Draft. The current pump station is adequately sized for the entire development in terms of wet-well volume and pumping capacity; however, if the full development is completely built out, the pump station is not currently equipped to satisfactorily respond to intermittent power outages, nor to be serviced or repaired in the future. In order to satisfy the pump station’s future compliance and operational needs, ACSA needs to upgrade the pump station with equipment and space before additional homes can begin discharging domestic wastewater to it. The Executive Committee supports the ACSA staff in addressing this situation and directs the staff to return to the Board or its Committees as appropriate, regarding space and equipment needs, if Board authorization is needed for such. In addition, the Executive Committee requests the Executive Director briefly update the committee on the status of this situation at its monthly agenda setting meeting.

Mr. Martin stated Mr. Almarode and ACSA Engineering staff met with a representative of the developer of Seasons Ridge. The meeting went well and Staff is optimistic the situation will be resolved to the benefit of all parties.

Personnel Committee

Mr. Simmons, Chairman of the Personnel Committee, stated the Committee would provide comments during Closed Session.

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AUTHORIZATION TO ENTER INTO CONTRACT WITH HARNDEN CONSTRUCTION

Mr. Martin stated Invitation for Bid (ITB) number 2303 was issued on November 22, 2022, requesting sealed bids for the Phase 5, Partial Closure, and Gas Collection System construction project at the Augusta Regional Landfill. Bids were opened on December 20, 2022. Of the two bids received, Harnden Group offered the lowest total cost at \$11,454,996. Total funds budgeted for this project in FY-23 were \$8,000,000. Negotiations with Harnden began in order to identify potential cost savings. After significant effort, Harnden returned a “best and final” price of \$11,261,978.06.

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The Augusta Regional Landfill Management Committee (LMC), consisting of the Augusta County Administrator and City Managers of Staunton and Waynesboro, have considered the “best and final” price and have agreed to award the contract to Harnden. A copy of the letter from the LMC authorizing ACSA to award the bid to Harnden Group was presented to the Board members. The LMC has also approved a Capital Budget for FY-24 which includes \$12,000,000 for this project. Harnden has indicated they will only hold their pricing until March 17, 2023. The Bid needs to be awarded in FY-23, however, the job will not be fully budgeted until FY-24. Because of the magnitude and timing of this award, ACSA Board approval is required.

After discussion by the Board members, Mr. Egeli moved, seconded by Mr. Almarode to award the bid for the Augusta Regional Landfill Phase 5, Partial Closure and Landfill Gas Collection System to Harnden Group in the amount of \$11,261,978.06.

Vote was as follows:

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

Motion approved.

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FY-24 BUDGET OVERVIEW

Mr. Canterbury gave a preliminary overview of the FY-23 budget as presented on PowerPoint, which the Board received a copy of prior to the meeting.

Highlights of the presentation included the following: water consumption revenues are 1.7% below budget and sewer usage is 0.3% above budget; expenses are approximately 5.5% below budget; capital expenses are at 27% to date; FY-24 water and wastewater usage are projected to be slightly above the FY-23 budget; 110 new water and 85 new sewer connections are being projected for FY-24 with 40% at full hookup and 60% at partial hookup; and availability fees are being budgeted for 110 new water and 85 new sewer connections. Operating expenses have increased by 3.97% on average for the last 10 years and are still being evaluated for FY-24. There will be no increase in health insurance for FY-24 because of the \$1.3M reserved in the health-care fund. A 3% merit raise has been included in the budget, but will be decided upon by the Personnel Committee. Staff is considering and prioritizing the capital projects to be included in the FY-24 budget.

Staff will be meeting with the Personnel and Finance committees and will present the FY-24 draft budget at the April meeting, based on input from both committees.

There were no questions or comments from the Board members.

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CLOSED SESSION

Mr. Gordon moved, seconded by Mr. Dahl to convene in closed session pursuant to Virginia Code §2.2-3711(A)(1), for discussion and consideration of salaries, including specifically-identified employees of a public body.

Vote was as follows:

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

Motion approved.

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Mr. Shull moved, seconded by Mr. Simmons to come out of closed session.

Vote was as follows:

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

Motion approved.

Board members were requested to certify only matters pursuant to Virginia Code §2.2-3711(A)(1) were discussed. Members certifying were Middleton, Gordon, Almarode, Dahl, Egeli, Shull, and Simmons.

The Personnel Committee proposed to adopt the pay classification plan as presented in Closed Session, with an effective date of April 8, 2023.

Vote was as follows:

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

Motion approved.

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BOARD COMMENTS

Mr. Simmons thanked the staff for the hard work they put into the pay classification plan changes.

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There being no further business, Mr. Almarode moved, seconded by Mr. Dahl to adjourn the meeting at 3:31 p.m.

Vote was as follows:

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

Motion approved.

Board Secretary

Chairman