

Augusta Water  
Regular Board Meeting, Thursday, September 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 Shull, Riverheads District  
Phil Martin, Executive Director  
Brent Canterbury, Treasurer

ABSENT: Timothy Simmons, Pastures District  
Jean Marshall, Board Secretary

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CALL TO ORDER

The Chairman called the meeting to order at 1:32 p.m.

Dr. Middleton stated due to the absence of Mrs. Marshall, he was appointing Mr. Egeli as Temporary Secretary of this meeting, per Rule #14 of Augusta Water’s Rules of Order. Mr. Egeli respectfully accepted the temporary appointment.

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ADOPTION OF AGENDA

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

Vote was as follows:

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

Motion approved.

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APPROVAL OF MINUTES

Mr. Almarode moved, seconded by Mr. Gordon, to approve the Minutes of the Regular Board Meeting of August 17, 2023, which have been mailed to the members.

Vote was as follows:

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

Mr. Martin stated due to a fire at Ball Aluminum earlier this month, approximately 220K gallons of additional water was purchased from the City of Staunton.

Mr. Martin spoke with David Irvin, Utilities Superintendent for the City of Staunton, regarding the current drought conditions. Mr. Irvin reported even though Staunton’s water sources at the Elkhorn reservoir are approximately 7’ below the spillway, they are continuing to operate as normal.

Mr. Egeli stated he noticed in the Executive Director’s Highlights three applications have been received for the Engineering Manager position.

Mr. Martin stated the search is moving in the right direction. Unfortunately, there has not been a lot of success with the recruiting agency Augusta Water contracted with, and staff is currently exploring other options.

Mr. Egeli stated he wants it on record he has inquired about this position three times as of today.

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PROGRESS REPORT

Mr. Gordon inquired about the \$12,682.29 shown on the Potential Write-off graph presented in the Progress Report.

Mr. Canterbury stated the graph indicates those customers who had not paid their account balance at the time of the report. Customers having a delinquent account have either paid their balance since then, or their services have been terminated.

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COMMITTEE REPORTS

There were no Committee reports given.

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**REQUEST FROM AUGUSTA COUNTY FOR REVIEW FEES WAIVER ON COUNTY PROJECTS**

Mr. Martin reminded the Board, at the August meeting the Board directed Staff to gather information on charges, including waived charges, between the County of Augusta and Augusta Water. Augusta County staff provided the following information on charges waived by Augusta County over the past five years:

Site Plan Fees	-	\$300
E&SC Fees	-	\$13,368
Building Permit Fees	-	\$5,127.97
Total Fees Waived	-	\$18,795.97 (approximately \$3,760/year)

The County did note an E&SC Bond for the new Field Operations Facility in the amount of \$81,900 was also waived. While this is not a direct-dollar fee, Augusta Water would have needed to obtain some surety for this.

Augusta Water staff researched Development Review charges and found there have been a total of \$17,409.50 in Development Review Fees assessed to all customers over the last 5 years. Augusta County has been charged \$650 for their share of these Development Review Fees over the last 5 years, however, they have actually paid only \$100 of these. Inspection fees were \$31,227.11 for all customers. The County's portion was \$1,376; however, they have not paid any to date. A portion of these fees are related to the new courthouse and are not yet due.

Total 5-year labor expenses for Plan Review was \$75,762 and 3-year labor for inspections was \$303,285.39.

**Staff Recommendation – Development Review Fees:**

Staff recommends the Board either:

1. Continue to charge Development Review Fees as shown on our published Fee Schedule for all customers and request Augusta County charge all relevant fees and bonds to Augusta Water the same as they would any other entity.
2. Remove all Development Review Fees from our published Fee Schedule and end the practice of charging those fees to any customer.

**Summary of Information – \$100 Administrative Fee:**

Augusta Water staff reviewed our “Blue Bill” jobs over the last five years. It was found that there was a total of 116 “Blue Bill” jobs, 12 of which were for work performed for Augusta County. The total in Administrative Fees paid by Augusta County over the last 5 years was \$1,200.

Additionally, Augusta Water staff reviewed charges from Augusta County to Augusta Water concerning postage services. Augusta County adds a 10% “Surcharge” to the monthly postage billing. The total “Surcharge” billed to Augusta Water over the last 5 years was \$7,380.30.

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Another issue brought up while reviewing these charges was that Augusta Water has provided free labor in the form of Administrative staff covering breaks for Augusta County staff for the last 26 years. Sallie Trimble would cover for Joyce Hoover's morning breaks at no charge to the County. Calculated to cover Sallie's billable rate for half an hour per day, 48 weeks per year for the last 5 years, the amount of labor provided at no charge to Augusta County has been approximately \$21,700. Since the retirement of Joyce Hoover earlier this year, Sallie has not covered breaks for County staff.

A final issue brought up was that Augusta County (Commissioner of the Revenue and Treasurer offices) are allowed to periodically use Augusta Water bill-stuffing equipment at no charge. This bill-stuffing equipment is leased from Pitney-Bowes.

**Staff Recommendation – \$100 Administrative Fees:**

Staff recommends the Board either:

1. Continue to charge the \$100 Administrative Fee and continue to pay Augusta County's "Surcharge" as billed.
2. End the practice of charging the \$100 Administrative Fee for all "Blue Bill" work done for Augusta County, provided the County is willing to end the practice of adding the 10% "Surcharge" for postage billing.

Staff further recommends the Board officially provide guidance whether to continue or end the practice of providing labor to cover County staff breaks.

Candy Hensley, Assistant County Administrator, stated the County was only looking at the site plan fees and the other fees that were listed. They did not gather information on any other services provided. Mrs. Hensley stated the County will not need staff from Augusta Water to cover break times for the Administrative Secretary. Mrs. Hensley also stated the County would need to revise its ordinances in order to start charging Augusta Water for services rendered.

Mr. Egeli asked Mr. Martin to confirm if the Board decides to waive the administrative fees, as an unpublished fee, would the bond covenant issues would be irrelevant, and would the Board would have a free hand to do whatever they think is appropriate? He also asked, since the development review fees are published, what, if any, limitations would Augusta Water be subject to in respect to the bond covenant.

Mr. Martin stated he did not contact Augusta Water's bond council regarding Mr. Egeli's questions; however, it is Staff's understanding the Master Indenture states all customers are subject to any published rates and fees.

Mr. Shull asked for the Board to table this matter until the Augusta County Board of Supervisors meet the following week and can discuss the matter.

Mr. Martin asked Mrs. Hensley to clarify, should the County decide to start charging fees to Augusta Water, the County ordinance would need to be changed to allow it? He asked for clarification that the County's current ordinance states certain fees will not be charged to Augusta Water.

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Mrs. Hensley stated, the County ordinance states Augusta Water will not be charged certain fees. Mr. Shull stated this is why he is asking for this matter to be tabled, so the Board of Supervisors can discuss the changes needed to the County ordinance, should they begin to charge fees to Augusta Water.

After further discussion by the Board members, the following motions were made regarding the Development Review Fees, Administrative Fees, and Inspection Fees:

**Development Review Fees**

After discussion and amendment, based upon the request by Augusta County to waive the Development Review Fees charged to them by Augusta Water, Mr. Almarode moved, seconded by Mr. Gordon to remove Development Review Fees for all customers.

Vote was as follows:

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

Motion approved.

**Administrative Fees**

After discussion and amendment, Dr. Middleton moved to waive the Administrative Fees for Augusta County, as well as for all customers. Mr. Egeli seconded the motion.

Vote was as follows:

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

Motion approved.

**Inspection Fees**

After discussion, Mr. Shull moved, seconded by Mr. Almarode to waive the Inspection Fees charged by Augusta Water for all customers.

Vote was as follows:

Yeas: Middleton, Almarode, Dahl, Egeli, and Shull  
Nays: Gordon

Motion approved.

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**REVISION TO FY-24 CAPITAL BUDGET – TREATMENT OPERATIONS**

After accepting the Director position, Ron Elkins performed a review of the FY-24 Capital Budget for Treatment Operations. As part of this review, Mr. Elkins identified several items requiring additional funding, as well as several items which could be deferred.

Mr. Elkins has recommended revisions to the FY-24 Capital Budget to provide adequate funding to the necessary projects. The revised budget stays within the total of the original budget by deferring some purchases to future years.

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Some of the items exceed \$100,000 making approval from this Board necessary. Approving a revision to the FY-24 Budget should eliminate the need to bring individual items back to the Board for approval when the bids exceed budget.

Staff recommends revision of funding for specific items in the FY-24 Capital Budget as shown below:

Item	Original Budget	Revised Budget
Backup Generator Water	\$61,000	Defer
Berry Farm WTP Compressor Replacement	\$27,500	\$31,500
Coles Run WTP Compressor Replacement	\$27,500	\$31,500
Digester Blower Fishersville WWTP	\$186,000	\$194,000
Greenville WWTP Influent Screen	\$115,400	\$127,400
Fishersville WWTP Process Instrumentation	\$79,500	\$130,500
Backup Generator Sewer	\$51,000	Defer
Stuarts Draft WWTP LDO Probes & Controllers	\$28,700	\$40,700
Fishersville WWTP UV Building HVAC	\$17,200	\$20,200
Greenville WWTP HVAC	\$9,600	\$3,100
<b>Total</b>	<b>\$603,400</b>	<b>\$578,900</b>

After discussion, Mr. Gordon moved, seconded by Mr. Shull to accept the budget changes as presented.

Vote was as follows:

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

Motion approved.

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## UTILITY SCALE SOLAR PROJECT

Mr. Martin stated Augusta Solar, LLC is proposing a 102-megawatt solar project in Augusta County. The total project area is 1,903 acres with 168 acres under panel. Within the project area, 18 parcels will have panels, and 11 parcels will be used for interconnection. The proposed project will utilize 9 acres in an Urban Service Area (USA), and 9 acres in a Community Development Area (CDA). Future uses in the USA include Industrial, Planned Residential, Neighborhood Mixed Use, and Medium Density Residential. Future uses in the CDA include Low Density Residential. Mr. Martin presented a handout to the Board members, which included maps showing the parcels where the proposed panels will be placed, and discussed the effects the project may have on Augusta Water services in relation to the parcels. The proposal will come before the Augusta County Planning Commission possibly in December 2023 or at a later date in 2024.

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After presenting the Board with the method of analysis used in 2018 to determine potential lost revenue for another utility scale solar project, Mr. Martin asked the Board if they would prefer he use the same projection analysis for the Augusta Solar, LLC project, and if so, what factors would they want included in it. He stated another option would be to use a simplified, small scale analysis.

Dr. Middleton recommended the analysis used in 2018 be used again for the Augusta Solar, LLC project. He stated he wants Mr. Martin to continue to express to the Augusta County boards the impact each solar project will have on Augusta Water.

After further discussion, the Board members agreed to table the matter until the October meeting, in order to give the Board time to decide how they would like Mr. Martin to proceed with this matter.

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BOARD COMMENTS

There were no comments from the Board members.

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There being no further discussion, Mr. Shull moved, seconded by Mr. Dahl to adjourn the meeting at 3:22 p.m.

Vote was as follows:

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

Motion approved.

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Board Secretary

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Chairman