

Augusta County Service Authority
Regular Board Meeting, Monday, April 11, 2016, at 1:30 p.m.
Board Meeting Room

PRESENT: Tracy C. Pyles, Jr., Chairman, Pastures District
Carolyn S. Bragg, Vice Chairman, South River District
John H. Graves, Wayne District
Larry J. Wills, Middle River District
G.L. "Butch" Wells, Beverley Manor District
Andrew C. Middleton, North River 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
Greg Thomasson, Director of Solid Waste Management
Casey McCracken, Customer Service & Technology Manager
Steve McAllister, Field Operations Superintendent
Chad Hammer, Collection & Distribution Supervisor
Jennifer Hoover, Senior Project Engineer
Bryan Rieckmann, Field Utility Engineer
Tiina Solak, HR & Training Manager
Sheri Heflin, Board Secretary

ABSENT: Michael L. Shull, Riverheads District

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APPROVAL OF MINUTES

Mr. Wills moved, seconded by Ms. Bragg, to approve the minutes of the Regular Board Meeting of March 9, 2016, which had been mailed to the members and no corrections were being made.

Vote was as follows:

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

Motion approved.

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MATTERS PRESENTED BY THE PUBLIC

Mr. Greg Troxell, Augusta County School Board Director of Operations/Maintenance, requested an adjustment on the recent bill for Clymore Elementary School due to two issues. One issue was from a float controlled tank malfunction, and the other was a flush tank leak. Consumption on the current bill is 689,000 gallons higher than the average of their previous

MATTERS PRESENTED BY THE PUBLIC (CONTINUED):

six billings, for a total bill of \$12,948.11. Under the current policy, the school would not be eligible for an adjustment on the flush tank leak, as adjustments are limited to connections that are one inch or smaller. Sewer adjustments for non-sewer usage are limited to consumption that did not enter the sewer system. In this case, all of the excess water entered the sewer system.

In addition, the water that was lost was purchased from the City of Staunton, and was likely a contributing factor for some high flow events at the Mt. Sidney WWTP. These high flows caused the Service Authority to exceed its permit limit.

After discussion, Mr. Wills moved, seconded by Ms. Bragg, to reduce Clymore Elementary School's bill by \$4,565.38, bringing the total amount due to \$8,382.73. The Board also requested that the school be made aware of the pilot meter program and the early leak detection benefits it offered. If the school chose to participate they would have the cellular endpoints installed at their own expense. The Board indicated that the approval of future adjustments may be influenced by how quickly the leak/issue was discovered and corrected.

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AUGUSTA COUNTY SERVICE AUTHORITY FACILITY TOURS

At the March 14 Board meeting, the Board requested that Staff look at setting up times for the Board to tour Service Authority facilities. Staff compiled several tour options and presented them to the Board. The Board requested that Staff plan a tour of facilities in the northern part of the county for the morning of the May 9 Board meeting.

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PROGRESS REPORT

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

Augusta County Service Authority 50th Anniversary: Staff noted that the Service Authority celebrated its 50th Anniversary on March 15, 2016.

Augusta Regional Landfill: Staff reported that there is a proposed landfill gas regulation that could potentially impact the Augusta Regional Landfill. This new rule would require the landfill to install a landfill gas collection and control system (GCCS) when non-methane gas emissions rose above 34 Mg/year. The landfill has been below the current 50 Mg/year threshold, but this new rule could affect the landfill by the summer of 2020, if it passes.

Staff is proposing to utilize the sinking fund to install a GCCS in Phases 1-3 of Permit No. 585 during the partial closure, which should occur in the next several years. Staff is unsure how the proposed regulation could impact Permit No. 21, which is the older area of the landfill.

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PROGRESS REPORT (CONTINUED):

The Board recommended that Staff contact Delegate Steve Landes and Senator Emmett Hanger concerning the impact that the new regulation could have on Permit No. 21.

Customer Service Report: Staff reviewed the revised Customer Service Report with the Board. Staff noted that the Service Authority joined the Set-Off Debt Collection Program, which is a means of collecting monies due the Service Authority utilizing tax refunds and lottery winnings. Staff will begin using the Program after completion of training. The Board requested that Staff report annually how much the Service Authority writes off, and look at increasing the deposit, if necessary.

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INTRODUCTION OF NEW STAFF MEMBER

Tiina Solak was introduced as the Service Authority's new Human Resources and Training Manager.

The Board welcomed Ms. Solak to the Service Authority.

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UPDATED BILL AND HANG TAG INFORMATION

Staff reviewed the new bills and hang tags with the Board. Staff noted that the new bill encourages customers to use automated payment features, offers a change of contact information form, and clearly states payment methods and payment terms. The bill also lets customers know what they can do if they suspect a leak.

Previously, hang tags were commercially preprinted with blanks for customer information. Meter Technicians would hand write the information for delinquent customers on each tag. Staff designed a hang tag template, which utilizes existing customer data to pre-fill the tags. This template can be printed in-house on blank stock, thus reducing both costs and labor.

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VIRGINIA DEPARTMENT OF TRANSPORTATION PROJECTS

Howardsville Turnpike: In October 2014, Staff was contacted by the Virginia Department of Transportation (VDOT) concerning an upcoming road improvement project on Howardsville Turnpike between Hodge Street and Campbell Lane in Stuarts Draft, and the opportunity for the Service Authority to extend the sewer line in that area during the project.

At the May 2015 Board Meeting, Staff was authorized to enter into a contract with VDOT for the engineering associated with the sewer line extension, although no decision was made as to the funding of the project. Staff noted that installing the sewer line at a later time may not be feasible.

VIRGINIA DEPARTMENT OF TRANSPORTATION PROJECTS (CONTINUED):

VDOT is progressing with the project, and has asked for a commitment to construct from the Service Authority. The estimated cost of the project is \$190,000, and funding is available in the proposed FY2017 budget.

Staff recommends Board approval to enter into an agreement with VDOT for the construction of the entire length of the proposed sewer line.

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

Vote was as follows:

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

Motion approved.

Laurel Hill Road: Since July of last year, Staff has been working with VDOT on the Laurel Hill Road and Indian Mound Road intersection project. The road project is expected to impact approximately 700 feet of existing sewer line along Laurel Hill Road. The existing line is an old 6" force main that was converted to a gravity sewer line. Staff has been working with VDOT to reroute the pipe from its current location to Indian Mound Road. This would allow for additional future customers, and would eliminate the need to cross the intersection.

Because this new route is outside VDOT's project area, the Service Authority will incur some additional design costs. Staff executed an agreement with VDOT's engineering firm in the amount of \$21,410, for surveying, design and bidding for the project. Due to some additional length in the proposed line, the Service Authority will have to cover approximately \$70,000 in additional costs. VDOT will provide some compensation toward the construction cost of this project.

A small portion of waterline will also need to be relocated, with an approximate cost of \$13,000. The Service Authority will enter into an agreement with VDOT for the purpose of resizing the line from 8" to 12".

Surveying for the sewer line will begin today, and VDOT will bid the project in May. The goal is to have the sewer line relocation project under construction around the same time as the road project.

Costs for this project will be covered by water and sewer extension funds.

No action from the Board is requested at this time.

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SUBSTANDARD WATERLINE REPLACEMENT PROGRAM

One of the Service Authority’s priority projects is the replacement of aging pipeline infrastructure. The FY2017 budget includes the addition of a new pipeline construction crew to accelerate the replacement program to help the Service Authority meet its goal of replacing two miles of pipe annually.

In addition to the numerous breaks in aging lines, the total volume of water lost due to these breaks is significant. The estimated volume of water loss in the entire system is roughly 460,000 gallons per day, or 25 percent of the Service Authority’s entire water production. These losses include both water that is produced by the Service Authority and water that is purchased from Staunton. Replacing aging infrastructure could potentially reduce water loss by 15 percent of total production, or approximately 300,000 gallons per day. Staff noted that ongoing meter testing and calibration shows that the Service Authority’s meters are accurate, and “lost water” through the meters is minimal.

In order to continue moving forward, Staff recommends awarding a design contract to WW Associates in the amount of \$63,130 for field survey work and design of approximately 9,000 linear feet of waterline in Jolivue, along Route 11. WW Associates is currently working under a general engineering contract with the Service Authority.

Mr. Wells moved, seconded by Ms. Bragg, to approve Staff’s recommendation as presented. Vote was as follows:

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

Motion approved.

Staff discussed how they use the Permalog system to help pinpoint leaks, and noted that the system has paid for itself by reducing costs associated with digging up and repairing roads looking for a leak.

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FY2017 DRAFT OPERATING AND CAPITAL BUDGET REVIEW

Staff continued the review of the FY2017 proposed budget with the Board, and noted that the Personnel Committee and Finance & Audit Committee both met on March 31 to discuss items that impacted the budget.

The Personnel Committee approved Staff’s recommendation for a rate increase for insurance, and while the exact percentage will not be finalized until later in the year, the budget includes a 17 percent increase as a worst case scenario. The Personnel Committee also approved Staff’s recommendation for a one percent COLA and two percent merit increase for FY2017, and to staff three new positions – Crew Leader, Equipment Operator and Utility Worker.

FY2017 DRAFT OPERATING AND CAPITAL BUDGET REVIEW (CONTINUED):

The Finance & Audit Committee reviewed the operations and capital budget, and discussed various scenarios of rate increases and the consequences on future fund balances. The Finance & Audit Committee approved Staff's recommendation for a five percent rate increase in the water and sewer variable rate, and the draft budget.

Staff discussed the projects which are not funded in the four year CIP, including Lyndhurst sewer, Dooms water improvements, Weyers Cave WWTP expansion, future WWTP upgrades (Greenville and Mount Sidney), Churchville water improvements, fire flow improvements, and Blue Hole water supply.

Staff is reviewing the hookup fees for water and sewer, as the new VDOT requirements are not factored into those costs. The cost of newer meters may also affect the actual costs associated with new hookups.

Staff will present the proposed rate schedule at the May Board meeting, and will advertise for the Public Hearing on June 6.

The Board has no objection to proceeding with the draft budget as presented.

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CLOSED SESSION

Ms. Bragg moved, seconded by Mr. Wills, to convene in closed session 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.

Vote was as follows:

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

Motion approved.

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

Vote was as follows:

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

Motion approved.

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CLOSED SESSION (CONTINUED):

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

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There being no further business, the meeting was adjourned at 4:03 p.m.

Secretary

Chairman