

Augusta County Service Authority
 Regular Board Meeting, Monday, September 11, 2017, at 1:30 p.m.
 Board Meeting Room

PRESENT: Andrew C. Middleton, Chairman, North River District
 Carolyn S. Bragg, Vice Chairman, South River District
 G.L. "Butch" Wells, Beverley Manor District
 Larry J. Wills, Middle River District
 Tracy C. Pyles, Jr., Pastures District
 Michael L. Shull, Riverheads District
 John H. Graves, Wayne District
 Phillip Martin, Executive Director
 William Monroe, Director of Administration/Engineering
 Jesse Roach, Deputy Executive Director of Operations
 Jennifer Hoover, Senior Project Engineer
 Brent Canterbury, Director of Finance
 Tony Morse, Director of Treatment Operations
 Casey McCracken, Customer Service & Technology Manager
 Tiina Solak, HR & Training Manager
 Jodi Davis, Land Acquisition Technician
 Sallie Trimble, Assistant Board Secretary

* * * * *

The Chairman recognized the 16 year anniversary of 9/11/01.

RESOLUTION FOR LARRY J. WILLS

The Board recognized Mr. Larry Wills for his contributions to the Augusta County Service Authority Board of Directors with the following Resolution:

AUGUSTA COUNTY SERVICE AUTHORITY RESOLUTION

WHEREAS, Larry J. Wills has served as a Member of the Augusta County Service Authority Board of Directors since June 2012; and

WHEREAS, Larry J. Wills has demonstrated exemplary qualifications and capabilities in the performance of his duties over the past five years; and

WHEREAS, Larry J. Wills has served on the Personnel Committee for five years, on the Executive Committee for two years, on the Finance and Audit Committee for one year, as Vice Chairman for one year, and Chairman for one year during his tenure; and

WHEREAS, Larry J. Wills has conducted the affairs of the Augusta County Service Authority in a courteous, understanding manner; and

WHEREAS, Larry J. Wills, by his loyalty and devotion to the Augusta County Service Authority, has greatly enhanced the prestige and stature of Augusta County; and

WHEREAS, the Augusta County Service Authority Board of Directors wishes to give due recognition to Larry J. Wills for his years of faithful and devoted service.

Regular Board Meeting, September 11, 2017, at 1:30 p.m.

RESOLUTION FOR LARRY J. WILLS (CONTINUED)

NOW, THEREFORE BE IT RESOLVED that the Augusta County Service Authority Board of Directors, mindful of the service, devotion, and loyalty of Larry J. Wills, on behalf of the Augusta County Service Authority which he so ably served, does hereby express humble, sincere, heartfelt thanks of this body and wish for him many years of good health and happiness.

NOW, THEREFORE BE IT RESOLVED that the Secretary of the Board be instructed to incorporate this Resolution into the official minutes of this Board, and a copy of this Resolution be presented to Larry J. Wills.

September 11, 2017

Ms. Bragg moved, seconded by Mr. Pyles, to adopt the Resolution as presented.

Vote was as follows:

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

Motion approved.

The Board thanked Mr. Wills for his service and wished him well.

Mr. Wills thanked the Board and Staff for the resolution and good work over the years.

* * * * *

APPROVAL OF MINUTES

Mr. Shull moved, seconded by Ms. Bragg, to approve the minutes of the Regular Board Meeting of August 7, 2017, which had been sent to the members and no corrections were being made.

Vote was as follows:

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

Motion approved.

* * * * *

EXECUTIVE DIRECTOR'S HIGHLIGHTS

Safety Update: The job description for the new Safety Manager has been finalized and the position was posted on September 7. Interviews for prospective candidates are expected to begin the week of September 25.

EXECUTIVE DIRECTOR'S HIGHLIGHTS (CONTINUED)

Statewide Mutual Aid Mission to the Town of Monterey: On August 17, the Service Authority was contacted by James Moore with the Lexington VDH Office of Drinking Water, as part of a Statewide Mutual Aid (SMA) request, to assist the Town of Monterey with leak detection. The Town had experienced an undetermined number of leaks which were not surfacing and the Town had not been able to pinpoint the location of the leaks. The leaks had become so severe that the Town's storage tank had gone dry. Service Authority Field Operations staff responded by mobilizing to Monterey on August 17 and 18 and worked in conjunction with Virginia Rural Water Association, and Bath County personnel to find multiple leaks. The leaks were repaired by Town of Monterey staff and on Tuesday, August 22, the Service Authority was notified that the SMA mission was complete.

Shamrock Farms Update: On August 24, the Service Authority issued a third Notice of Violation (NOV) to Shamrock Farms, which covered a series of 46 individual permit violations during the second quarter of 2017. With this third NOV, Shamrock has now been charged with 158 separate permit violations over the past nine months. Shamrock Farms is currently in the process of constructing a facility expansion, which will add one new production line in 2017 and a third production line in 2018. The obvious concern is that the increased loading on the Shamrock wastewater plant may further exacerbate the ongoing operational problems, without significant plant improvements and operational changes being implemented.

The August 24 NOV required that Shamrock fully respond to all of the questions previously raised, which included questions regarding their process modeling, their capability of meeting the new permit limits with their increased loading, and the timing of their planned improvements. One item of concern has been the lack of a final decision on the construction of additional equalization tank capacity, which was listed as a critical recommendation by Shamrock's engineering consultant.

The response to the August 24 NOV was received on September 6. In this response, Shamrock has stated their commitment to begin construction on the new equalization tank shortly. A construction schedule was included, showing that this tank will be complete by March 2018. Significantly, the schedule further indicates that Shamrock will coordinate the start-up of their new production line in a phased approach that is timed to coincide with the completion of the new tank. These two items have addressed two of our major concerns. This should help ensure that their wastewater plant will have the capacity necessary to adequately treat the increased waste load from the expanded production facility.

Staunton Purchased Water Update: In August of 1992, the Augusta County Service Authority entered into a 40-year agreement with the City of Staunton which set an annual minimum purchase of one million gallons per day (MGD) (averaged on an annual basis). During FY17 the amount of water purchased from the City of Staunton was below that minimum purchase amount by 27,699,873.37 gallons. When averaged for the year, this equates to approximately 76,000 gallons per day below the stated minimum purchase.

EXECUTIVE DIRECTOR'S HIGHLIGHTS (CONTINUED)

On Tuesday, August 29, 2017 Jeanne Colvin with the City of Staunton emailed Brent Canterbury to notify the Service Authority of their intent to bill us \$78,750.74 for the 27,699,873.37 gallons of water that we were below the contract minimum purchase.

On Tuesday, September 05, 2017 the Service Authority received a bill in the amount of \$78,750.74. This was not the first year in which the Authority did not meet the minimum purchase amount. In fact, for seven of the first ten years under the agreement, the Authority did not meet the 1 MGD average. For the second decade of the agreement, there was only one year (2010) where the Authority was below the 1 MGD average. It does, however, mark the first time that the City has billed the Service Authority for a shortfall.

Staff will continue to monitor the daily usage from Staunton and make adjustments, as needed, to stay within the contract requirements.

July 1, 2016 – June 30, 2017 Annual Report: Staff touched on some notable items from the FY17 Annual Report.

The Service Authority now serves 15,849 water customers, an increase of 102 customers from FY16. Even though the number of accounts increased, the total average water usage decreased from 4.495 MGD in FY16 to 4.292 MGD for FY17. Part of this is most likely due to increased conservation awareness, but the Authority should also point out the diligent efforts to find and repair leaking water lines. These efforts resulted in several significant leaks being eliminated in the fall of 2016.

The Service Authority also now serves 9,481 sewer customers, an increase of 84 customers from FY16. As with water usage, wastewater flow treated decreased from FY16 to FY17. It is notable, though, that this decrease was far more dramatic, with average daily treatment dropping from 7.115 MGD in FY16 to 6.108 MGD in FY17. Neither FY16 nor FY17 were abnormally wet years, but the Authority does attribute a portion of the reduction to the Authority's ongoing efforts to reduce inflow and infiltration in the collection system.

Overall, the Augusta Regional Landfill saw an increase of 2.3 percent in waste tonnage from FY16. Amounts of wood waste, cardboard, appliances, tires, antifreeze and used oil all saw increases, while automotive batteries, electronics and scrap metal all showed decreases.

Field Operations completed major water line projects in Fishersville Road and Calf Mountain Road areas, wastewater treatment plant upgrades at Weyers Cave, pump station upgrades at Augusta Farms and Brookmill. Other major projects included groundwater exploration at Berry Farm and the Hall property.

Engineering staff completed their work on the Augusta Farms Pump Station Upgrade, Indian Mound Sewer Replacement and Weyers Cave WWTP Wetland Permitting. They also completed testing for 173 large meters and replaced 23 meters.

For the 15th consecutive year, the Service Authority Finance Department received the Certificate of Achievement for Excellence in Financial Reporting.

EXECUTIVE DIRECTOR'S HIGHLIGHTS (CONTINUED)

Staff reported that the Administrative Specialist position has been filled. Raquel Cross is expected to start on September 25.

Mr. Graves expressed interest in having the Board tour the Shamrock facility.

Ms. Bragg requested that the Service Authority copy the County Economic Development on NOV's and related responses in regards to Shamrock Farms.

After discussion, Staff reported that the Service Authority attorney has reviewed the Staunton Water Purchase contract and has determined that any case against the City would be very weak. Mr. Pyles raised some concerns about the way Staunton bills the Service Authority and requested that the Board get copies of the notice from Jeanne Colvin, the bill, and the historical spreadsheet of Staunton Water Purchases. Mr. Pyles also cautioned Staff about running too closely to the IMGD average so that some of the capacity could be saved in the event of an unplanned need.

* * * * *

PROGRESS REPORT

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

* * * * *

PROPOSED REVISIONS TO OPPM SECTION 1

Staff has been continuing to review and update all operating policies and procedures. These updates are intended to match the ACSA policy to current practice, formalize Board payment, and streamline the policies to reduce the number of sections.

Policy 1.1 – Organization and Mission: This policy was previously just the mission statement. The policy now includes the governance and provision of service sections from Policy 1.2. The provision of service section has been simplified to not list detailed criteria for considering connections outside Augusta County.

Policy 1.2 – Description of Organization: This policy has been merged into 1.1.

Policy 1.3 – Organizational Chart: This policy has been deleted. A more detailed organizational chart is maintained outside of the OPPM.

Policy 1.4 – By-Laws: The by-laws have been renumbered to be policy 1.2. The revision also adds that the Authority was extended by Board of Supervisor resolution in 2002, cleans up the term limit language by eliminating dates that have already passed, and formalizes the Board salary. The officer election dates were updated to match the current practice of having

PROPOSED REVISIONS TO OPDM SECTION 1 (CONTINUED)

elections coincide with the fiscal year, member notification of meetings was extended to three working days to match public notice requirements, and as a reminder a sentence was added that all meetings are to be in accordance with all applicable laws. A few additional grammatical and formatting corrections were also made.

Policy 1.5 – Finance and Audit Committee Charter: This policy was renumbered to 1.3 and formatted.

The by-laws require ten days prior notice to change, therefore the presentation was for information only. Staff will bring the proposed changes back to the Board at the October meeting for adoption.

* * * * *

VDH GRANT CLOSING WELLS AND FENCING AT BERRY FARM

Since 2007, the Authority has participated in the VDH Wellhead Protection Implementation Project and has received a total of \$616,000 in grant funding. These grants have partially funded delineation areas as well as funding the abandonment of inactive wells and fencing around active wells.

The Authority currently has three wells (the Hall well and two wells at the Berry Farm) that need fencing installed around their perimeter. The Authority also has seven inactive wells that need to be addressed. The locations of these seven wells are: 1) Buffalo Gap High School well; 2) Livick well (between Verona and Mt Sidney); 3) Blacka well; 4-6) three unnamed monitoring wells in the Lyndhurst area; and 7) one unnamed monitoring well in Middlebrook. The three named wells were unsuccessful attempts to find groundwater to use in the public supply. The four unnamed monitoring wells were used to monitor groundwater levels during pumping tests to delineate recharge areas. Since the wells are on private and School Board property, letters will be sent to verify whether the property owners wish to keep the wells or have ACSA abandon them in accordance with VDH requirements.

The Authority has applied for, and been approved to receive a VDH FY2018 Wellhead Protection Implementation Project – Well Abandonment and Well Fencing Grant of up to \$58,000. This is expected to be sufficient to cover the entire cost of abandoning the seven wells specified, and install fencing around the three remaining wells. For wells which the property owners wish to keep, no funds will be expended by ACSA for abandonment. There is no requirement that, if accepted, the entire \$58,000 must be spent. Any grant funds remaining on July 15, 2018 will revert back to the grant program.

Staff recommended acceptance of the VDH FY18 Wellhead Protection Implementation Project – Well Abandonment and Well Fencing Grant up to \$58,000.

VDH GRANT CLOSING WELLS AND FENCING AT BERRY FARM (CONTINUED)

Ms. Bragg moved, seconded by Mr. Wells, to accept the VDH FY18 Wellhead Protection Implementation Project – Well Abandonment and Well Fencing Grant up to \$58,000.

Vote was as follows:

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

Motion approved.

* * * * *

* PURCHASE OF REPLACEMENT SERVICE TRUCK

The Authority's Field Operations Department currently utilizes 14 service trucks for their daily operations. Ten of these have been replaced in recent capital equipment budgets and are expected to remain in service for several more years. The other four are anticipated to be replaced over the next four years on a one per year basis. The FY18 Capital Equipment budget included \$85,000 for the replacement of vehicle number 170; a 1-1/4 ton service truck with a crane. This vehicle currently is in need of approximately \$1,000 in repairs to keep it safe and functional.

In the last month, vehicle number 183 has suffered an engine failure and is currently out of service. This is a 2006 Ford F450 with 127,063 miles and is one of the four vehicles identified for replacement in the next four years. Estimates to replace the engine are approximately \$10,000. The Service Authority could expend \$10,000 on vehicle number 183, but would still have a vehicle that is 11 years old with well over 100,000 miles.

As an alternative, the Authority could authorize the \$1,000 in repairs to vehicle number 170 and defer replacement of it until FY19. The \$85,000 already budgeted could then be used to purchase a replacement for vehicle number 183. Three quotes have been solicited for such a suitable replacement vehicle and Battlefield Ford of Manassas, Virginia was low bidder at \$63,753.00 for an in- stock Class 5 Duty, 4X4 diesel Ford.

Staff recommended authorization of the purchase of the quoted vehicle from Battlefield Ford to replace vehicle number 183, using part of the FY18 budgeted funds for the replacement of vehicle number 170 and defer replacement of vehicle number 170 until FY19.

Mr. Pyles moved, seconded by Ms. Bragg, to authorize the purchase of the quoted vehicle from Battlefield Ford to replace vehicle number 183, using part of the FY18 budgeted funds for the replacement of vehicle number 170 and to defer replacement of vehicle number 170 until FY19.

128

Regular Board Meeting, September 11, 2017, at 1:30 p.m.

PURCHASE OF REPLACEMENT SERVICE TRUCK (CONTINUED)

Vote was as follows:

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

Motion approved.

* * * * *

There being no further business, the meeting was adjourned at 2:13 p.m.

Assistant Secretary

Chairman

* CORRECTION TO PURCHASE OF REPLACEMENT SERVICE TRUCK

At the September 11, 2017 ACSA Board Meeting, it was mistakenly reported that the Service Authority had secured three (3) bids for the service truck replacement for vehicle 180. In reality, the Service Authority had secured four (4) bids, which is in compliance with the purchasing regulations. Bids were received from Battlefield Ford (successful low bid), Dick Meyers Chrysler/Dodge of Harrisonburg, Jim Snead Ford of Waynesboro and Valley Chrysler/Dodge of Staunton.