

Augusta County Service Authority
Regular Board Meeting, Monday, November 6, 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
Tracy C. Pyles, Jr., Pastures District
John H. Graves, Wayne District (arrived at 1:32 p.m.)
Garry R. Gordon, Middle River District
Phil Martin, Executive Director
Jennifer Hoover, Senior Project Engineer
Brent Canterbury, Director of Finance
Tony Morse, Director of Treatment Operations
Greg Thomasson, Director of Solid Waste Management
Jesse Roach, Director of Construction and Field Operations
Casey McCracken, Customer Service & Technology Manager
Tiina Solak, HR & Training Manager
Brett Sinclair, Safety Manager
Raquel Cross, Administrative Specialist
Sallie Trimble, Assistant Board Secretary

ABSENT: Michael L. Shull, Riverheads District
G. L. "Butch" Wells, Beverley Manor District
William Monroe, Director of Administration/Engineering

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APPROVAL OF MINUTES

Mr. Pyles moved, seconded by Ms. Bragg, to approve the minutes of the Regular Board Meeting of October 9, 2017, which had been mailed to the members with no corrections made.

Vote was as follows:

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

Motion approved.

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INTRODUCTION OF NEW ADMINISTRATIVE SPECIALIST AND NEW SAFETY MANAGER

Raquel Cross was introduced as the new Administrative Specialist and Brett Sinclair was introduced as the new Safety Manager.

The Board welcomed Ms. Cross and Mr. Sinclair to the Service Authority.

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NOMINATION OF BOARD SECRETARY

Ms. Bragg moved, seconded by Mr. Pyles to nominate Raquel Cross as Board Secretary.

Vote was as follows:

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

Motion approved.

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EXECUTIVE DIRECTORS HIGHLIGHTS

Town of Craigsville Water Supply – On Friday, October 13, the Town of Craigsville’s spring (their main water supply), failed due to the abnormally dry weather. Shortly thereafter, the Town began to receive water from Augusta Springs. Ms. Bragg asked about the status of Craigsville. Staff reported that late last week the Town had an issue with a pump that failed but it has since been repaired. They are still receiving some water from the Service Authority, but the rate of water needed has dramatically reduced.

Budget/Funding Efforts – Staff reported the meeting with Johnson Controls has been moved from November 15 to November 28 to discuss a possible Energy Service Company (ESCO) Project.

William Monroe – Staff reported William Monroe re-ruptured his disc and his return to work date is unknown. Mr. Pyles asked if a plan was in place as William is a vital member of the Service Authority. Staff responded that William, when able, is working remotely and that a plan will be derived if needed.

Atlantic Coast Pipeline – Staff reported the Service Authority has sent an additional response dated November 6 to the Atlantic Coast Pipeline (ACP). The Service Authority has yet to receive a reply to our July 7 letter which was a response to ACP’s June 7 letter.

EXECUTIVE DIRECTORS HIGHLIGHTS (CONTINUED)

Shared Services – Staff reported on November 2, a meeting on Shared Services was held at the Augusta County offices. The meeting primarily focused on the proposed new vehicle maintenance facility.

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PROGRESS REPORT

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

Inflow and Infiltration Control/Waterline Breaks – Staff reported that Insituform Technologies completed the work in the Mt. Sidney area on Friday.

While investigating the issues along Wayne Avenue, staff performed a CCTV inspection of the sewer lines and discovered the pipes were 8" instead of 10" and included multiple sections containing sags. This is something that sliplining will not be able to address; the staff is looking to add this project to the future capital budget.

Augusta Regional Landfill – Mr. Pyles expressed his concerns in using the sinking fund for the purchase of additional land. Mr. Pyles wanted to be sure the funds would be available for landfill closure. Staff indicated the Landfill committee was comfortable with using the sinking fund for the purchase of additional land. Mr. Pyles also inquired about the possibility of increasing the tipping fees or increasing the percentage dedicated to closure to replenish the sinking fund. Staff stated this will be reviewed.

AUTHORIZATION TO AWARD BID FOR ASPHALT PAVING

Staff reported the Authority's Field Operations Department is in need of contracted asphalt paving services for 29 sites of varying sizes located throughout the County.

Bids for the work, which typically includes excavating to subgrade and benching in a larger surface area, were solicited from four local paving companies. Bidders were instructed to include any necessary traffic control. The firms contacted included Smith Paving, Inc., Moffett Paving and Excavating Corp., Weatherman-Collins Contracting, and B&S Contracting Inc.

Of the four companies contacted, Smith Paving, Inc., Moffett Paving and Excavating Corp., and Weatherman-Collins Contracting all declined to bid. Two of the three firms indicated that, given their current workload, they did not believe they could get the work done before asphalt plants shut down for the winter. The third firm did not offer a reason for declining to bid. B&S Contracting, Inc. returned a bid in the amount of \$97,800.

Of the \$97,800 bid, \$55,788.10 will be for water line paving, \$11,714.04 for sewer line paving, and \$30,297.86 split between new connections and other capital projects. Adequate funds are available to cover these costs.

AUTHORIZATION TO AWARD BID FOR ASPHALT PAVING (CONTINUED)

Staff requested the Board to authorize the Executive Director to award the paving bid to B&S Contracting, Inc. and issue a purchase order in the amount of \$97,800 for paving at the various sites.

Mr. Pyles asked how the bid compared to the estimated costs for the paving. Staff responded that it was within the expected range and was similar to previous paving jobs.

Mr. Pyles moved, seconded by Mr. Graves to authorize the Executive Director to award the paving bid to B&S Contracting, Inc. and issue a purchase order in the amount of \$97,800 for paving at the various sites.

Vote was as follows:

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

Motion approved.

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AUTHORIZATION TO REBUILD REGIONAL LANDFILL TRACK LOADER

Staff reported the approved FY18 Landfill Capital Budget includes \$515,000 to purchase a new track loader to replace the existing CAT 973D track loader which pushes the waste at the lift. In order to reduce capital equipment replacement costs, the Service Authority is proposing to rebuild an existing 2001 CAT 973C track loader which currently has approximately 12,000 hours. The CAT certified rebuild from Carter Machinery Company costs \$338,863 and includes a like new machine warranty. The rebuild will occur in January and February of 2018. The Landfill has two other track loaders which can be utilized at the lift during the rebuild process. In the future, the Service Authority may propose rebuilding the other track loaders in lieu of new purchases.

The Landfill Management Committee was informed of our intention to pursue this course of action at the October 26th meeting and all members were in full agreement.

Staff requests the Board to authorize the certified CAT rebuild of the Landfill's CAT 973C track loader and authorize the Executive Director to issue a purchase order in the amount of \$338,863 to Carter Machinery Company to perform the rebuild.

After discussion, Mr. Pyles moved, seconded by Mr. Graves to authorize the certified CAT rebuild of the Landfill's CAT 973C track loader and authorize the Executive Director to issue a purchase order in the amount of \$338,863 to Carter Machinery Company to perform the rebuild.

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AUTHORIZATION TO REBUILD REGIONAL LANDFILL TRACK LOADER (CONTINUED)

Vote was as follows:

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

Motion approved.

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2018 CAPITAL METER PROJECT PRESENTATION

Staff presented the Capital Meter Replacement Project. The following was discussed during the presentation: current meter practices, assumptions, goals, meter replacement options and a final analysis.

Current Meter Practices

Staff reported the Service Authority is currently only using touch-read meters. This raised a safety concern as some of the touch-read meters are in high traffic areas. The last meter project was conducted between 1997-2002, replacing approximately 9,000 meters. In the subsequent years, between 300 and 500 meters were installed each year, resulting in the current total of 14,800 meters. The current rate of replacement is 432 meters per year as a result of failures. The current system provides no efficient method of alerting customers to leaks.

Assumptions

For evaluation purposes, Staff assumed that after 10 years of service the accuracy of a meter would decrease, and the longer the meter was in service, the lower the accuracy. Staff also assumed as meters reached 15 years old they would need to be replaced at the current rate of 432 meters per year. Assumptions were also made providing for moderate annual increases in the cost of commodities and salaries. For systems that included a reading cost, given the unknowns, it was assumed that the current bid price would remain for the full life of the system.

Based on evaluating the current replacement practice, it was determined that a full meter replacement project was required.

Goals

The Service Authority's primary goals are to improve: cost efficiency, safety, customer service, and conservation/non-revenue water and bill adjustments. The secondary goals are to: improve technology standing, allow for monthly billing if desired in the future, reduce fuel usage, allocate personnel to other tasks, and provide good public relations.

2018 CAPITAL METER PROJECT PRESENTATION (CONTINUED)Meter Replacement Options

Staff considered the following replacement reading system options: remaining with touch read (15 year and 4 year plans), drive-by only endpoints (4 year plan), a combination of drive-by and cellular endpoints (4 year plan), and cellular only endpoints (4 year plan).

Touch read - Put on a 15 Year Replacement Schedule

Pros:

- Eliminates All Meters >20 years old by 2029; >15 years old by 2032
- Much Lower Lost Revenue than Current Strategy
- Can Accomplish Installation with In-House Staff
- No Annual Support Fee

Cons:

- Would Need to Fill Vacant Position (Keep 5 Full-Time Meter Techs)
- No Improvement in Leak Detection
- No Improvement in Safety
- No Improvement in Customer Service

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Total Lost Revenue over 20 years - \$907,389

Total 20 Year Cost - \$11.9 Million

Touch Read - Replace Over 4 Years

Pros:

- Never Have Meters >20 years - Eliminates All Meters >15 years old by 2020
- 4 Year Replacement Schedule Yields Lowest Lost Revenue
- May Not Need to Hire for Fifth (Unfilled) Meter Tech Position
- Lowest 20 Year Cost
- No Annual Support Fee

Cons:

- Need to Hire Contractor to Perform Installation
- Will Need to Keep at least 4 Full-Time Meter Techs
- No Benefit of Leak Detection
- No Benefit of Improved Safety
- No Improvement in Customer Service

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Total lost revenue over 20 years - \$798,443

Total 20 Year Cost - \$10.4 Million

Replace with Drive-By - Replace Over 4 Years

Pros:

- Never Have Meters >20 years old - Eliminates All Meters >15 years old by 2020
- 4 Year Replacement Schedule Yields Lowest Lost Revenue
- Monthly Benefit of Leak Detection
- Benefit of Improved Safety
- Would Not Fill Vacant Position and Re-task One Tech after 5 Years

2018 CAPITAL METER PROJECT PRESENTATION (CONTINUED)

Cons:

- Need to Hire Contractor to Perform Installation
- Annual Support Fee
- Dated Technology

Total Lost Revenue over 20 years - \$798,443
Total 20 Year Cost - \$10.5 Million

Replace with Combination of Cellular and Drive-By (Hybrid) - Replace Over 4 Years

Pros:

- Never Have Meters >20 years - Eliminates All Meters >15 years old by 2020
- 4 Year Replacement Schedule Yields Lowest Lost Revenue
- Monthly Benefit of Leak Detection on 75% – Daily on 25%
- Benefit of Improved Safety
- Would Not Fill Vacant Position and Re-task One Tech after 5 Years

Cons:

- Need to Hire Contractor to Perform Installation
- 20 Year Cost \$1 Million Higher than Pure Drive-By
- Two Different Systems with Separate Annual Support Fees

Total Lost Revenue over 20 years - \$798,443
Total 20 Year Cost - \$11.5 Million

Replace with Full Cellular - Replace Over 4 Years

Pros:

- Never Have Meters >20 years - Eliminates All Meters >15 years old by 2020
- 4 Year Replacement Schedule Yields Lowest Lost Revenue
- Would Not Fill Vacant Position and Re-task Two Techs after 5 Years
- Daily Benefit of Leak Detection
- Benefit of Improved Safety
- Best Customer Service
- Get Free Endpoint at 10 Years

Cons:

- Need to Hire Contractor to Perform Installation
- Highest 20 Year Cost
- Highest Annual Support Fee
- +/- 420 Meters in Western Portion of County Currently Have No Cellular Service

Total lost revenue over 20 years - \$798,443
Total 20 Year Cost - \$12.7 Million

With regard to the physical meter replacement, all of the read options would use a mechanical meter for water measurement. This mechanical meter ensures a tried and true technology without the need for additional batteries or points of failure.

2018 CAPITAL METER PROJECT PRESENTATION (CONTINUED)

Final Analysis

Staff eliminated the touch read options because they met none of the improvement goals with the exception of cost. The hybrid solution was also eliminated because it only met the improvement goals for a portion of our customers (25%) but increased the cost substantially when compared with a drive-by only solution. This left the two viable options as a drive-by only solution and a cellular only solution. The drive-by solution was then eliminated because, while it improved upon the goals, it did not fully meet them. Staff also considered the fact that this replacement is a 20 year project and whichever technology is selected today is the same technology we will have for the next 20 years.

Based upon the fact that the cellular solution achieves the non-cost goals and technologically positions the Service Authority for the future, Staff's recommendation is to proceed with the full cellular option.

Ms. Bragg asked about the plan for areas that currently do not have adequate cellular coverage. Staff responded that the project would begin in areas with strong coverage, and over the next four years, it was anticipated that additional carriers and towers would become available to close the gaps. In the event a meter did not have coverage, some actions, such as mounting the endpoint through the lid could be tried. If a larger area, such as Deerfield, did not have coverage, drive-by endpoints may be required. Staff indicated these contingencies would be worked out as part of the contract negotiation.

Mr. Gordon asked what technology could be replacing cellular, wondering if this option would exist for the full 20 years. Staff responded that it was difficult to know exactly what technology could be next, but that the master agreement from Badger provided some protection. This agreement requires that Badger provide service to the Service Authority's endpoints and in the event a carrier discontinued service, Badger would need to either replace the endpoints or find another way to provide the service. In addition, because the endpoints are replaced at year 10, they will automatically be upgraded to the current cellular technology.

Mr. Pyles asked about the possibility, if needed, of increasing the fixed fee portion of the rates as opposed to the variable portion because reading the meter was not tied to a customer's consumption. Staff agreed to review this option if needed.

Mr. Pyles also suggested that Staff, as part of the final negotiations, request improved pricing from the vendor to bring the price of the full cellular option closer to the drive-by option, Staff agreed to make the request.

Mr. Pyles moved, seconded by Ms. Bragg to approve the recommendation to proceed with the full cellular option by completing negotiations with Badger Meter/National Meter,

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performing a legal review of the contract, and upon completion awarding the contract to Badger Meter/National Meter.

2018 CAPITAL METER PROJECT PRESENTATION (CONTINUED)

Vote was as follows:

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

Motion approved.

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There being no further business, the meeting was adjourned at 2:50 p.m.

Secretary

Chairman