

36

Augusta County Service Authority
Regular Board Meeting, Thursday, June 18, 2020, at 1:30 p.m.
Board Meeting Room

PRESENT: Andrew C. Middleton, Chairman, North River District
Garry R. Gordon, Vice Chairman, Middle River District
Carolyn S. Bragg, South River District
Allen Dahl, Beverley Manor District, *via phone conference from Naples, FL*
Michael L. Shull, Riverheads District
Timothy Simmons, Pastures District
Phil Martin, Executive Director
Brent Canterbury, Board Treasurer
Jean Marshall, Board Secretary

ABSENT: John H. Graves, Wayne District

* * * * *

CALL TO ORDER

The Chairman called the meeting to order at 1:30 p.m.

* * * * *

PUBLIC RATE HEARING

Dr. Middleton opened the Public Hearing at 1:31 p.m. The purpose of this hearing is to consider an increase in water and sewer user rates that will become effective July 1, 2020.

This hearing and the proposed rate changes were properly advertised in the Daily News Leader and in the News Virginian on Sunday, May 31, 2020 and Sunday, June 7, 2020.

Staff reminded the Board they, along with Staff, are tasked with setting and maintaining rates and fees that are high enough to comply with bond requirements and all state laws, as well as being fairly structured for rate payers, and sufficient to meet the Authority's future capital needs. The proposed budget for FY-2021 follows a four year plan set forth in the Service Authority's rate model. The budget proposes an increase in water variable rates of 3% and an increase in sewer variable rate of 3%. The increase for the average residential user will be \$3.50 bi-monthly. The average combined public water and sewer residential bill be \$158.58 bi-monthly. An unmetered residential sewer bill will be \$95.76 bi-monthly.

Mrs. Bragg asked what the effect would be on the FY-2021 bond requirements if rates are not increased for FY-2021.

Staff explained for FY-2021, there would be little effect. The future budgets would be affected, and some capital purchases may not possible. It will be difficult to make up the loss in compounding. A larger increase in rates would be required in future years to make up for the loss in FY-2021.

Regular Board Meeting, Thursday, June 18, 2020, at 1:30 p.m.

With no members of the public present to comment, the Public Hearing was declared closed at 1:35 p.m.

Mr. Dahl stated he feels the timing is not appropriate for a rate increase.

Mrs. Bragg was concerned, due to the current COVID-19 situation, the increase in rates will cause a hardship for customers.

Mr. Gordon moved, seconded by Mr. Simmons to adopt the proposed user rates as advertised, effective for all bills created after July 1, 2020.

Vote was as follows:

Yeas:	Middleton, Gordon, and Simmons
Nays:	Bragg, Dahl, and Shull

Because of a tie vote, the motion was defeated.

There being no further business, the Public Hearing was adjourned at 1:45 p.m.

* * * * *

ADOPTION OF AGENDA

Dr. Middleton removed “Item 10 – Consider Adoption of FY-21 Budget”, from the Agenda because of the tie vote in the Rate Hearing.

Staff requested “Item 12 - Bid Award Verona Pump Station Switch Gear” and “Item 13 - Bid Award Verona Pump Station Replacement Generator”, be removed from the Agenda. These items were included in the FY-21 budget proposal and cannot be approved for purchase until the budget is approved.

Given the tie vote in the Rate Hearing, Staff stated further review of the budget will be needed to determine possible adjustments.

Dr. Middleton directed for a special called meeting of the Board to tentatively take place Thursday, June 25 at 1:30 p.m. in the Augusta County Board Room to consider the items being removed from this meeting’s Agenda.

Mrs. Bragg moved, seconded by Mr. Shull to adopt the revised Agenda.

Vote was as follows:

Yeas:	Middleton, Gordon, Bragg, Dahl, Shull and Simmons
Nays:	None

Motion approved.

* * * * *

APPROVAL OF MINUTES

Mrs. Bragg moved, seconded by Mr. Gordon, to approve the minutes of the Regular Board Meeting of May 21, 2020, which have been mailed to the members with no corrections made.

Vote was as follows:

Yeas:	Middleton, Gordon, Bragg, Dahl, Shull, and Simmons
Nays:	None

Motion approved.

* * * * *

EXECUTIVE DIRECTOR’S HIGHLIGHTS

Staff informed the Board water consumption has increased in most areas since January, 2020, with the largest increase in the main Stuarts Draft area.

Staff stated the SCC has extended the moratorium on non-payment disconnections for utilities from June 14 to August 31, 2020. In communicating with other authorities, most have indicated they will follow the SCC’s decision. If the Board wishes to extend the moratorium on non-payment disconnections, revenues should not be greatly affected.

Mrs. Bragg asked if there has been a significant increase in delinquent accounts since the May meeting.

Staff stated the current delinquent amount is approximately \$50,000, which is an increase of \$10,000 since the May meeting. About 1% of Service Authority customers have delinquent accounts.

Mr. Dahl asked if past due bills are mostly for residential or commercial customers.

Staff stated about 1% of Service Authority customers have delinquent accounts and are primarily residential customers. Many of the current non-paying customers have a history of delinquency.

Staff presented to the Board a chart produced by VEC showing the unemployment rate for the Commonwealth. Although the overall unemployment rate rose to 10.6%, the employment rate for the Staunton-Waynesboro metropolitan area decreased by only 2.7%.

Mr. Simmons stated currently there are 1% of customers not paying their bill. He asked if there is a way to determine what the percentage of non-paying customers will increase to if the rate increase of \$3.50 bi-monthly goes into effect?

Staff stated there is not a way to project if the percentage of non-paying customers will increase due to the proposed rate increase.

Regular Board Meeting, Thursday, June 18, 2020, at 1:30 p.m.

Staff explained the Service Authority has the option to disconnect utilities; however, it is the desire of the Service Authority to work with customers by helping them bring their account current through a payment plan. Staff will also work with customers who have extenuating circumstances giving them additional time to bring their account current.

After further discussion by the Board, Staff asked the Board to establish the final date for customers to either bring their account current or set up a payment plan and to establish the date for resuming disconnections for non-payments.

Mrs. Bragg moved, seconded by Mr. Shull to send letters to customers with past due balances on Monday, June 22 giving customers the option of either paying the past due amount in full by July 31 or making payment arrangements by July 31. If the past due amount is not paid or payment arrangements are not made by July 31, service will be disconnected on Monday, August 3.

Vote was as follows:

Yeas:	Middleton, Gordon, Bragg, Dahl, Shull, and Simmons
Nays:	None

Motion approved.

* * * * *

PROGRESS REPORT

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

* * * * *

NOMINATING COMMITTEE FOR BOARD ELECTIONS AND COMMITTEE APPOINTMENTS

The Nominating Committee presented the following slate of officers for Board approval to take effect July 1, 2020:

Chairman	Dr. Andrew Middleton
Vice Chairman	Mr. Garry Gordon
Treasurer	Mr. Brent Canterbury
Secretary	Mrs. Jean Marshall

There being no nominations from the floor the Board unanimously approved Dr. Middleton as Chairman, Mr. Gordon as Vice Chairman, Mr. Canterbury as Treasurer, and Mrs. Marshall as Secretary.

Mrs. Bragg moved, seconded by Mr. Simmons to recommend appointments be filled as presented.

Vote was as follows:

Yeas:	Middleton, Gordon, Bragg, Dahl, Shull, and Simmons
Nays:	None

Motion approved.

The Committee Appointments will be addressed at the July meeting.

* * * * *

UPDATE ON FIELD OPERATIONS FACILITIES MAINTENANCE RELOCATION

Staff presented the Board with three cost comparisons for relocation of Field Operations and Facilities Maintenance. The cost to construct a new building at the Middle River Treatment Plant (MRTP) property which would house both departments is approximately \$4.57 million. This amount was reduced significantly from the original proposal due to reconfiguration and utility reductions. The cost to remodel the Design Electric building to house both departments is approximately \$4.43 million. The two main considerations are the second floor of the building which would need to be finished and upgraded in order to add a training room, locker room, and laundry room, and an additional three acres of neighboring property would need to be purchased to allow for needed parking, shops and garages, and a spoils area. The approximate combined costs to renovate the Design Electric building to house Field Operations and to construct a new building for Facilities Maintenance at MRTP, is \$5.10 million. This includes a purchase of two acres of neighboring property for the Design Electric site.

Mr. Dahl stated there are currently no neighboring properties on the market in the area of the Design Electric building.

Mrs. Bragg asked what the preference of Staff is for relocating Field Operations and Facilities Maintenance.

Staff stated a new facility for Field Operations and Facilities Maintenance at MRTP would be the better option operationally. The site has plenty of room allowing for the needed shops and garages, would allow for staff to be together in one location, and has future expansion options.

Mr. Gordon stated the Design Electric site does not provide adequate room for everything needed for Field Operations. The MRTP property provides an adequate building site and is large enough to provide for expansion in the future.

Mr. Dahl suggested Staff move forward in obtaining proposals to build a new facility at MRTP. If the proposal is more than the estimated \$4.57 million, Staff and the Board will consider other options.

Regular Board Meeting, Thursday, June 18, 2020, at 1:30 p.m.

Mr. Shull moved, seconded by Mrs. Bragg for Staff to solicit proposals from architectural firms for design of a new Field Operations/Facility Maintenance building at Middle River Treatment Plant.

Vote was as follows:

Yeas:	Middleton, Gordon, Bragg, Dahl, Shull, and Simmons
Nays:	None

Motion approved.

* * * * *

BOARD COMMENTS

Mr. Simmons thanked the Land Committee for their hard work and efforts on finding the best option for relocating Field Operations and Facilities Maintenance.

* * * * *

There being no further business, the meeting was adjourned at 2:45 p.m.

Board Secretary

Chairman