

Augusta County Service Authority
Regular Board Meeting, February 20, 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
John H. Graves, Wayne District
Michael L. Shull, Riverheads District
Phil Martin, Executive Director
Brent Canterbury, Treasurer
Jean Marshall, Secretary

ABSENT: Timothy Simmons, Pastures District

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CALL TO ORDER

The Chairman called the meeting to order at 1:30 P.M.

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ADOPTION OF AGENDA

Mrs. Bragg moved, seconded by Mr. Shull to move Agenda item number 14 to become item number 3, and move item number 8 to become item number 4, with the remaining items following in sequence.

Vote was as follows:

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

Motion approved.

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G.L. "BUTCH" WELLS RESOLUTION

AUGUSTA COUNTY SERVICE AUTHORITY RESOLUTION

WHEREAS, G.L. "Butch" Wells has served as a Member of the Augusta County Service Authority Board of Directors from June 2015 through January 2020; and

WHEREAS, G.L. "Butch" Wells has demonstrated exemplary qualifications and capabilities in the performance of his duties over those five years; and

WHEREAS, G.L. "Butch" Wells has served on the Land and Water Committee, Finance and Audit Committee, Personnel Committee, Executive Committee, and as Vice Chairman during his five year tenure; and

WHEREAS, G.L. "Butch" Wells has conducted the affairs of the Augusta County Service Authority in a courteous, understanding manner; and

WHEREAS, G.L. "Butch" Wells, 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 G.L. "Butch" Wells for his years of faithful and devoted service.

NOW, THEREFORE BE IT RESOLVED that the Augusta County Service Authority Board of Directors, mindful of the service, devotion, and loyalty of G.L. "Butch" Wells, 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 is hereby instructed to incorporate this Resolution into the official minutes of this Board, and a copy of this Resolution is presented to G.L. "Butch" Wells.

Dr. Andrew C. Middleton, Chairman
Augusta County Service Authority

Signed this 20th day of February, 2020

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INTRODUCTION OF NEW BOARD MEMBER

Dr. Middleton introduced Allen Dahl as the new Board member for the Beverley Manor District, filling the unexpired term of Mr. Wells.

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APPROVAL OF MINUTES

Mrs. Bragg moved, seconded by Mr. Gordon, to approve the minutes of the Regular Board Meeting of January 16, 2020, which had been mailed to the members with no corrections made.

Vote was as follows:

Yeas:	Middleton, Gordon, Bragg, Dahl, Graves, & Shull
Nays:	None

Motion approved.

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EXECUTIVE DIRECTOR'S HIGHLIGHTS

Staff reported the comment letter required by DEQ regarding WIP III was submitted via email and USPS on Wednesday, February 19. A copy of the signed WIP III Resolution adopted by the Board on December 21, 2019 was sent with the letter.

A bill is being proposed in the General Assembly that would allow the Service Authority to use wastewater treatment plant phosphorous credits for development/construction in lieu of purchasing permanent development phosphorous credits. Staff will watch for legislative updates to see if the bill passes.

Mrs. Bragg asked if the proposed General Assembly bill requiring fencing to keep cattle out of streams will have any positive benefit for the Service Authority if it passes. Staff does not believe the bill will benefit the Service Authority in any way.

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PROGRESS REPORT

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

Staff reported all work is done at the White Hill tank and all punch list items have been completed.

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REVISION TO ACSA CROSS CONNECTION CONTROL POLICY

The Service Authority Cross Connection Control Policy/Program began in 1993 and ensures backflow prevention units are properly installed at customer locations to protect the public water supply from contamination originating from the customer's premises. There are currently 1,255 backflow assemblies managed through the Authority's program. Each of these units is privately owned and must be tested annually by a licensed contractor to ensure proper operation. Reports from these tests must be provided to the Authority's Cross Connection Control Administrator (CCCA) to demonstrate the units are continuing to function properly.

Staff reviewed the highlights of the proposed revisions to the policy with the Board. The revisions were presented in the packets the Board members received prior to this meeting.

Dr. Middleton asked Staff to verify Procedural Step IV would not prevent the Chairman of the Board to accompany the Service Authority Executive Director to visit the customer to address violation charges. Staff stated it would not prevent visits by the Chairman and the Executive Director.

Zachary Bowers, CCCA stated he contacts anyone with a violation several times via phone call, and email, as well as visits to the site in order to resolve the violation.

Dr. Middleton encouraged Mr. Bowers to call upon Board members should the occasion ever arise for additional reinforcement towards a resolution.

Mr. Gordon asked Mr. Bowers how he knows testing of a backflow unit is due.

Mr. Bowers stated he has a computerized master list showing when inspections are due. He sends out inspection notices to customers indicating an upcoming due date. Once the testing is completed, the customer or their contractor sends in a report showing the results.

Mr. Dahl stated he appreciated the way inspections were done in the past, when the CCCA inspected the site themselves. He felt it provided better customer service. He asked what caused the change in the way inspections are done.

Staff stated the former CCCA retired and the position was redefined with more extensive duties than in the past. There are also more private companies currently available to perform the test than in the past.

REVISION TO ACSA CROSS CONNECTION CONTROL POLICY CONTINUED

Mr. Shull asked if there are ever problems with the backflow units.

Mr. Bowers stated approximately 25% come back each month with a failure.

Mrs. Bragg moved, seconded by Mr. Gordon to accept the policy revisions as written.

Vote was as follows:

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

Motion approved.

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AUTHORIZATION TO PURCHASE MIDDLE RIVER SWITCH GEAR

Staff reminded the Board the approved FY-20 Capital Improvements Budget included \$282,300 to replace the aged and un-reliable switch gear powering the Middle River WWTP and Pump Station. To accomplish the project within the approved budget, ACSA is proposing to directly purchase the switch gear equipment and then enter into a separate contract with an electrical contractor to install the equipment. To further keep costs to a minimum, ACSA is providing a temporary power supply while installation is occurring. The desired switch gear is available for a cost of \$168,300 from Capital Electric through cooperative procurement, utilizing an existing contract with the University of Virginia.

Mr. Shull moved, seconded by Mrs. Bragg to approve the purchase of the switch gear for \$168,300 from Capital Electric.

Vote was as follows:

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

Motion approved.

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APRIL 2020 ACSA BOARD MEETING DATE/LOCATION

Staff explained the Board room is not available for the scheduled April 16 meeting, as the School Board reserved it in advance of the Service Authority Board changing their meeting schedule at the October Board meeting. The options for the April meeting are to relocate to

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APRIL 2020 ACSA BOARD MEETING DATE/LOCATION CONTINUED

either the Service Authority large conference room or to the Middle River Treatment Plant training center, or to change the date of the meeting to Wednesday, April 15. Board members were concerned the Middle River location may be difficult for any members of the attending the meeting to find, because the location is not marked very well at the entrance.

Mrs. Bragg moved, seconded by Mr. Gordon to hold the meeting on Wednesday, April 15.

Vote was as follows:

Yeas:	Middleton, Gordon, Bragg, Dahl, Graves, & Shull
Nays:	None

Motion approved.

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BID RESULTS – JOLIVUE SUBSTANDARD WATER LINE PROJECT

Staff stated the FY-20 Capital Budget included \$886,000 for the 8,900 LF Jolivue Substandard Water Line Project. The project, as it was initially envisioned, had all work being completed by ACSA forces; however, given the desire to compare ACSA crew vs. private contractor cost effectiveness, Staff put construction of the middle third of the project (2,952 LF) out for bids. Labor and equipment to perform the remaining two thirds of the total project is being supplied in-house.

ITB 2002 was issued on December 20, 2019 requesting sealed bids for construction of the middle third of the project. On January 17, 2020 an addendum was issued answering questions from bidders including revisions to the bid documents. Bids were opened on January 30, 2020. Of the three bids received, Commonwealth Excavating, Inc. offered the lowest total bid at \$558,089.00. Comparisons indicate work already completed by our forces has cost \$57.74 per foot. Using Commonwealth’s bid numbers for the same work would yield a cost of \$141.53 per foot. Given the lowest bid for installation of roughly 33% of the project would take 63% of the installation funds budgeted for the project, the bid cost (\$189.05/LF) substantially exceeds the budgeted funds (approximately \$100/LF), and further given bid costs are roughly 2.5 times the current rate of in-house costs, Staff is rejecting all bids and will proceed to install the entire project with ACSA forces.

Mr. Shull asked if the project completion is on schedule.

Staff stated the project is slightly behind due to unexpected issues at the beginning of the year. The approximate completion date is the end of the fiscal year.

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REFINEMENT OF OPTIONS FOR FIELD OPERATIONS FACILITY

Staff reviewed the goals for relocation of the Field Operations facility with the Board as presented on PowerPoint and as also presented at the December 19, 2019 Board meeting. After considering several options for relocation, the two being presented are renovating the Tyco building in Mt. Sidney or building a new facility at the Middle River Treatment Plant property.

The advantages of renovating the Tyco building are it is a large existing building with warehouse and industrial space, the site is large and ample enough for additional storage and yard areas, it is large enough to accommodate other departments in the future, it supports a distinct identity for ACSA, and estimated cost for the property and renovations is \$3.25-\$4.25M. A portion of the upgrades could be done by qualified Service Authority personnel, such as the electrical upgrades. Disadvantages are the building is 40 years old and is not highly energy efficient, it is not centrally located, employee commute distance and work order distance is increased, no fuel tanks are on site, and it is unclear when the property will be available, as it is currently in use.

The advantages of building a new facility at Middle River Wastewater Treatment Plant are the site is large and can accommodate a modern, energy efficient building, it is close to I-81, the site lays well and minimal earthwork would be required, expansion to accommodate other departments in the future would be possible, Capital Project travel distance is shorter than the current location at WWRC, it supports a distinct identity for ACSA, and the Service Authority already owns the property. The water and sewer lines would be installed by Service Authority personnel, as well as electrical work being done by Service Authority industrial electricians. The negative aspects are the employee commute distance would be slightly longer than the current commute to WWRC, the capital cost is projected to be over \$6M, and there are no fuel tanks on site.

It is unclear at this point if a traffic study and entrance improvements will be required by VDOT.

The overall cost comparison for the two properties is \$8,048,450 for the Tyco building and \$7,736,969 to build at the Middle River property.

Given all the facts, Staff feels the best option is building a new facility at Middle River.

To determine if the Service Authority could afford a new building, Staff looked at two possibilities. They first looked at a “normal future” taking the past 10 years and projecting them forward for revenues and expenses, anticipating average increases in demand. Revenues over the past ten years have increased 4.97%, where expenses have increased 3.99%. A “challenging future” would anticipate revenues only increasing by 3%, with little to no increase in demand, and expenses staying the same at 3.99%. Capital projects from the 10 year CIP were included for a “normal future” while capital projects for a “challenging future” included replacement projects only. For both the scenarios, architecture and engineering costs were paid out in FY-22, with \$6M for construction costs being financed at

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REFINEMENT OF OPTIONS FOR FIELD OPERATIONS FACILITY CONTINUED

4% for a period of 20 years. Interest on \$6M for 20 years at 4% would result in additional costs of \$2.8M.

Paying cash for the new building is an option, taking into consideration cash reserves are currently \$17,375,251.

Staff recommended a new facility be built at the Middle River property. Staff requested the Board to direct the review of current purchasing policies and enact any necessary revisions to allow design/build and to evaluate cost effectiveness of design/build versus conventional design/bid/build, and to meet with VDOT to determine entrance requirements. If design/build is chosen, direct Staff to vet and select a design/build firm in FY21-22 and budget the project in FY-23. If design/bid/build is chosen, direct Staff to budget for architecture/engineering in FY-22 and construction in FY-23. Target \$6M for construction cost and set aside \$6M from the current cash reserves for the project.

Mrs. Bragg asked if the entrance traffic study was included in the total cost of a facility at Middle River.

Staff stated the traffic study was not included in the costs.

Mr. Graves stated building a new facility is the better solution because it will provide a more efficient and modern facility.

Mr. Shull stated Staff needs to meet with VDOT to determine what the entrance requirements will be before moving forward with the project. He suggested delaying a decision to allow Mr. Dahl time to look for other properties that may be available for purchase that would meet the aforementioned needs of the Service Authority.

Mrs. Bragg referred to the earlier study done for the Middle River property which calculated costs of \$10M. She asked if the facility now being proposed is smaller than the building proposed in the earlier study. Staff explained the earlier study included moving the water crews to the new facility, several items in the earlier study were double counted, and the size of the garage has been decreased from the earlier study. The estimated square footage of the new facility is 20,000 square feet and 4500 square feet for the garage. It will be a pre-engineered building that can be expanded for future growth to house the Administrative offices as well.

Dr. Middleton stated he is in agreement with reviewing the current purchasing policy, contacting VDOT to determine entrance requirements, and allowing Mr. Dahl time to search for other potential properties. Staff and Mr. Dahl will present their findings at the March meeting.

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BOARD COMMENTS

Mrs. Bragg thanked Staff for the work they do for the Service Authority.

Mr. Dahl referred to the Excellence Awards recognition as outlined in the January Minutes. He stated he is glad to see the Service Authority has a program in place that recognizes and rewards employees for exceptional work.

The Board welcomed Mr. Dahl and expressed their appreciation for his willingness to serve.

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There being no further business, the meeting was adjourned at 3:09 p.m.

Board Secretary

Chairman