

Augusta County Service Authority
Regular Board Meeting, Thursday, March 17, 2022, at 1:30 p.m.
Board Meeting Room

PRESENT: Andrew C. Middleton, Chairman, North River District
Garry R. Gordon, Vice Chairman, Middle River District
Harvey Almarode, South River District
Allen Dahl, Beverley Manor District, *via phone conference due to picking up a relative at the airport*
Matthew Egeli, Wayne District
Michael L. Shull, Riverheads District
Timothy Simmons, Pastures District
Phil Martin, Executive Director
Brent Canterbury, Treasurer
Jean Marshall, Board Secretary

ABSENT: None

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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

Mr. Shull moved, seconded by Mr. Gordon to adopt the Agenda as presented.

Vote was as follows:

Yeas: Middleton, Gordon, Almarode, Dahl, Egeli,
Shull, and Simmons
Nays: None

Motion approved.

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APPROVAL OF MINUTES

Mr. Shull moved, seconded by Mr. Almarode, to approve the Minutes of the Regular Board Meeting of February 17, 2022, which have been mailed to the members.

Vote was as follows:

Yeas: Middleton, Gordon, Almarode, Dahl, Egeli,
Shull, and Simmons
Nays: None

Motion approved.

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MATTERS PRESENTED BY THE PUBLIC

Staff reported on the request by Albert Fossa at the February meeting to investigate the condition of the aging septic systems in the Dooms Crossing area and to determine if they could be replaced with a public sewer system. Staff discovered Mr. Fossa's property in the Dooms Crossing area contains 1.5 acres, which would be adequate for a septic drain field. The septic system for the original home on the property, which has been demolished, was permitted for one bedroom. According to Augusta County's Comprehensive Plan, Mr. Fossa's parcel, as well as the neighboring parcels, are in a Community Development Area and are approved for water services but not sewer services. Augusta County would need to approve the parcels be re-designated to an Urban Service Area in order to install a sewer system. Even if the approval was given by the County, it would take approximately 8,000 feet of sewer line and cost approximately \$1.7M to install the system. Lacy Stevens, with the Staunton-Augusta Health Department reported to Staff there have only been three permits issued for septic system repairs in the Dooms Crossing area since 2005. He also explained because the soil is sandy in the Dooms Crossing area, there are very few issues with the septic systems. Per Mr. Fossa's request, Staff investigated the possibility of receiving infrastructure funding from the government to help finance the proposed sewer system. Staff reported it would be unlikely the Service Authority would receive funding, as 49% of by-partisan law requires funding to be used for disadvantaged communities and environmental justice. Staff feels this would not be a feasible project to undertake.

After discussion, the Board agreed this is not a project the Service Authority should pursue. Mr. Shull stated if anything, the focus should be on the aging water lines in the Dooms Crossing area, and not on undertaking a project of this capacity.

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EXECUTIVE DIRECTOR'S HIGHLIGHTS**Chem-scan Equipment Report**

Staff reported there was a failure with the chem-scan unit at the Fishersville Wastewater Treatment Plant in January, which caused nitrogen levels to increase to 6.64 mg/L. The equipment was repaired in February, causing nitrogen levels to decrease to 4.7 mg/L. The WWTP's permit is based on an annual limit of 4.0 mg/L. No issues are expected with meeting this limit.

Supply Chain Concerns

Staff reported the Service Authority currently has enough material to finish Phase 2 of the Howardsville Turnpike and the Augusta County Government Center water line replacement projects. Due to delivery delays and issues with supply chains, Staff believes it would be advantageous to purchase the pipe and fittings for the Mt. Torrey Road project, which is budgeted for FY-23 in advance. Staff would also like to purchase materials in advance for the future booster pump station in the Dooms Crossing area. Staff will present a request to the Board at a future meeting for approval to purchase the needed materials for the Mt. Torrey Road and new booster pump station projects, as well as the purchase of additional pipe and fittings to have in reserve.

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Other Discussion

Mr. Egeli asked if there are any concerns with Hershey exceeding the treatment capacity as noted in the Executive Director’s highlights.

Staff stated Hershey is in the process of obtaining approval for a \$6 million upgrade to the facility. Currently, there are no concerns with over-taxing the Stuarts Draft Wastewater Treatment Plant.

Mr. Shull asked if there are any concerns regarding the Shamrock plant.

Staff stated there are no major concerns with Shamrock at this point. Communication with management at Shamrock is improving and is ongoing.

Mr. Shull asked if there are any concerns regarding rising fuel costs.

Staff stated currently the Service Authority is within the budgeted amount for fuel costs. When preparing the FY-23 operating budget, rising fuel costs and inflation will be considered.

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PROGRESS REPORT

There were no questions or discussion regarding the Progress Report.

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COMMITTEE REPORTS

Building Committee

Mr. Gordon reported the Building Committee met with Staff on March 7. Staff has been working on the estimated cost for the new Field Operations and Maintenance building. Originally the estimated cost came in at \$6M; however, by downsizing the plans and finding savings in other areas, Staff was able to get the estimated cost down to \$4.7M, which is closer to the original budgeted amount. The Committee received an estimate from Stone Hill Construction of \$7.7M for the new facility. Rhodenizer Construction has indicated they can construct a shell on a concrete slab for approximately \$1.8M. Staff will continue to find ways to downsize in order to get costs more within the budget limits.

Dr. Middleton thanked the Building Committee for the work they have done on obtaining the cost estimates for the building and dissolved the committee following the report. Staff will continue to revise the plans to get closer to the budgeted amount in order to put the project out for bid.

Staff stated with inflation and the rising cost of materials, it has been difficult to plan within the budget. The original building plans have been reduced by 30’ and a 16’ bay has been removed from the plans. The costs may be further reduced by utilizing Service Authority employees who are skilled in certain trades.

Mr. Shull asked how much time is being estimated for self-services by Service Authority staff.

Staff stated a determination will be made on what sections of the project Service Authority staff can be utilized in and what sections will need to be contracted out. Once the determination is made, an estimate of time for self-service can be made.

Mr. Shull is concerned Service Authority employees will be taken away from their day-to-day jobs to perform work on the new building. The construction of the new building is not considered within the normal day-to-day operations of the Service Authority.

Staff stated there are many employees who have skill sets to perform the required work and they have been utilized in the past to work on other projects within the Service Authority.

Mr. Gordon stated while there may be certain aspects of the construction where contractors will be needed, there are many Service Authority employees who are more than qualified to perform the work.

Mr. Almarode asked if Service Authority employees are utilized during construction of the new building, how will it be handled if something comes up and they are needed elsewhere.

Staff stated the water line replacement projects will continue without any interruption. If any maintenance issues come up within the Service Authority, staff will be pulled off the new building project to handle the maintenance issues.

Mr. Dahl stated the \$4.7M is a number based on estimate only. The prices being obtained from actual general contractors are the ones to be considered. He expressed concern about building in the current environment and making decisions based on estimated numbers. The \$4.7M is an estimated number the Service Authority came up with, and it is not an estimate from a contractor saying it can be built for that amount.

Mr. Shull agreed with Mr. Dahl and felt the Service Authority should obtain pricing from at least one more contractor. The project should not move forward before bids are received.

Staff explained the project could not move forward until it is put out for formal sealed bids.

Dr. Middleton stated the plan is to finalize specifications based upon revisions to the building, to obtain estimates within the budgeted amount and to put a package together to send out for bid. He reminded the Board the goal is to get the Field Operations and Maintenance employees out of the 70-year-old buildings.

Mr. Egeli expressed the need to have modernized and suitable facilities. He does not have any concerns regarding Service Authority employees performing work on the new building. He thanked the Building Committee for their hard work on obtaining estimates from contractors.

Staff asked for confirmation the Board is directing Staff to make the necessary revisions to the plans, have the architect revise the plans, and prepare a package to go out for bid.

Board members confirmed this is the direction Staff has been given.

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Personnel Committee

Mr. Simmons reported the Personnel Committee is meeting after the Board meeting.

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FY-23 BUDGET PRESENTATION

Staff gave a preliminary overview of the FY-23 budget as presented on PowerPoint, which the Board received a copy of prior to the meeting.

Highlights of the presentation included the following: water consumption revenues are 2.8% above budget and sewer usage is 1.8% below budget; expenses are approximately 10% below budget; capital expenses are at 47% to date; FY-23 water and wastewater usage are projected to be slightly above the FY-22 budget; 110 new water and 85 new sewer connections are being projected with 40% at full hookup and 60% at partial hookup; availability fees are being budgeted for 110 new water and 85 new sewer connections. Operating expenses are still being evaluated for FY-23. There will be no increase in health insurance for FY-23 because of the \$1.2M health-care fund. A 3% merit raise has been included in the budget, but will be decided upon by the Personnel Committee. Staff is considering and prioritizing the capital projects to be included in the FY-23 budget.

Staff will meet with the Personnel and Finance committees and will present the FY-23 draft budget at the April meeting, based on input from both committees.

Mr. Egeli stated he was surprised expenses are running 10% below budget.

Staff explained expenses may be running 10% below budget because of the open positions within the Service Authority. There may also be large items that have not incurred yet due to supply challenges. The April budget presentation will be presented as if all money has been spent for the capital projects.

Mr. Egeli thanked Staff for the work done on preparing the budget overview.

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BOARD COMMENTS

Dr. Middleton stated there are several large capacity projects looming over the Service Authority, such as the Weyers Cave water tank, possibly upgrading the Weyers Cave treatment plant, and the possible impact the new Amazon facility may have on the Fishersville treatment plant. He would like Staff and the Board to consider if there are opportunities to take advantage of the capacity at the Stuarts Draft treatment plant to convert high strength ammonia waste into ammonia sulfate. He suggested the Executive Committee meet with Staff regarding these large capacity projects for longer range planning.

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There being no further business, Mr. Egeli moved, seconded by Mr. Simmons to adjourn the meeting at 2:31 p.m.

Regular Board Meeting, Thursday, March 17, 2022 at 1:30 p.m.

Vote was as follows:

Yeas: Middleton, Gordon, Almarode, Dahl, Egeli,
Shull, and Simmons

Nays: None

Motion approved.

Board Secretary

Chairman