

Augusta County Service Authority  
Regular Board Meeting, Thursday, March 18, 2021, 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  
Matthew Egeli, Wayne District  
Michael L. Shull, Riverheads District  
Timothy Simmons, Pastures District  
Phil Martin, Executive Director  
Brent Canterbury, Board Treasurer  
Jean Marshall, Board Secretary

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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:

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

Motion approved.

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APPROVAL OF MINUTES

Mr. Shull moved, seconded by Mr. Gordon, to approve the Minutes of the Regular Board Meeting of February 25, 2021, which have been mailed to the members with no corrections made.

Vote was as follows:

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

Motion approved.

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## MATTERS PRESENTED BY THE PUBLIC

Brian Ochs, Facilities Manager at Daikin Applied, addressed the Board concerning a large water flow at the plant of over 10 million gallons on July 15, 2020 as shown on EyeOnWater. The plant's normal water usage is approximately one million gallons of water a month. Mr. Ochs stated the Service Authority was contacted regarding the usage increase and was told by a representative it was a meter issue and would be taken care of by the Service Authority. A second event occurred on August 5, in which there was a backflow of 10,535,000 gallons in a 15-minute period as shown on EyeOnWater. From August 5 on, there were flows ranging anywhere from 415,000 gallons a day to 152,000 gallons a day until September 4, when usage seemed to become more reasonable.

Mr. Ochs expressed his concern with the existing 4" meter and feels the meter is not operating correctly and should be replaced. There have been no tests on the meter to check for accuracy since it was installed in 2014.

Due to the increase in usage from July through September 2020, Mr. Ochs proposed the billing be based on the average usage for 2019, or at least January through June 2020, using that average for the remaining months of 2020 and until the meter can be replaced.

Mr. Egeli asked the balance on the utility account.

Mr. Ochs stated prior to the most recent bill, the balance was between \$180,000 and \$190,000.

Staff reported the current bill is \$55,000 making the balance approximately \$242,000.

Mr. Dahl asked what the typical bill averaged.

Mr. Ochs stated typically a two-month bill runs between \$30,000 and \$34,000.

Mr. Shull asked Mr. Ochs if he was requesting the 4" meter be upgraded to an 8" meter.

Mr. Ochs stated he is not specifically saying what size the meter should be, but doesn't feel the 4" meter is adequate, should there be a significant fire event.

Mr. Shull asked if during the two specific times Daikin saw an increase in water flow, if the Service Authority saw an increase in waste treatment.

Staff stated around the time Daikin noticed the increase in water flow in July, there was an increase in waste treatment. The backflow (on EyeOnWater) in August was caused when the Service Authority sent Consolidated Pipe to reset the meter to zero, which made it look like the flow dropped by 10,000,000 gallons. Following the reset, EyeOnWater showed the flow actually increased to around 400,000 gallons a day. Tim Castillo contacted Mr. Ochs on August 11 to let him know the Service Authority had seen a large demand in water and the increase had been traced back to Daikin. On August 12, the water usage dropped from 400,000 gallons a day to 150,000 gallons a day.

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After further discussion between Mr. Ochs and Board members, Dr. Middleton asked Mr. Ochs if Daikin intends to make payment on the utility bill for any amount not in dispute.

Mr. Ochs stated a payment of \$105,000 was made in January. Daikin is proposing to pay \$34,000 every two months. Mr. Ochs also stated it is questionable Daikin would owe anything above that amount.

Dr. Middleton asked Staff for the actual deficit.

Staff stated the current balance is \$242,106.18.

Dr. Middleton asked Mr. Ochs to clarify if Daikin is not going to pay the outstanding balance.

Mr. Ochs stated Daikin does owe part of the current deficit.

After further discussion, Dr. Middleton asked Mr. Ochs to provide information regarding the increased usage in writing to the Board, including a time line of the activities during the increase and anything Daikin did to determine the cause of the increase.

The Board directed Staff to have the meter tested by Fortiline and present a summary of the results to the Board, as well as a summary regarding the deficit of the account.

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#### EXECUTIVE DIRECTOR'S HIGHLIGHTS

Staff presented Jean Marshall, Board Secretary with the Two-year Service Award pin and thanked her for her service.

Staff stated the Service Authority has been invited into the membership of the Virginia Municipal Drinking Water Association, a newly formed organization whose purpose is to lobby on behalf of water authorities, in much the same way as its sister organizations, VAMWA and VAMSA. Staff feels it would be advantageous for the Service Authority to be a member of this organization. The application process has been started.

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#### PROGRESS REPORT

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

Staff reported the Jolivue waterline replacement project is winding down, with approximately 400' of line remaining to be replaced.

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## COMMITTEE REPORTS

### *Building Committee*

The Committee reported after meeting with Augusta County Building Inspection and Fire & Rescue, it was determined a sprinkler system will be needed at the new Field Operations facility. The cost of the sprinkler system is yet to be determined.

### *Personnel Committee*

The Committee reported discussions have taken place regarding employee pay and benefits, the retention of current employees and hiring of new employees, and increasing employee morale.

### *Broadband Committee*

The Committee reported they will continue to look at the possibilities to increase broadband services in Augusta County.

Staff reported a meeting has taken place with representatives of MGW to discuss possible lease options for the tower at the White Hill tank property. Donna Good, of the Augusta County Emergency Communications Center (ECC) was contacted regarding the study ECC is having done to determine the need for radio equipment to be placed on the aforementioned tower. Ms. Good is unsure of when the study will be completed or what equipment may be needed. Mr. Dahl suggested possibly ECC could provide the worst-case scenario in the amount of capacity they may need for their equipment. If the worst-case scenario would still leave enough capacity for other equipment, the Service Authority could move forward in negotiations with companies who wish to lease the tower.

Staff reported Augusta County and Shenandoah Valley Electric Cooperative (SVEC) currently have antennas on the tower. The antennas were previously on the tank and were transferred to the tower during the tank rehabilitation project.

Dr. Middleton expressed the need for the Service Authority to have a consultation firm that could advise the Service Authority on the capabilities of the tower.

Mr. Shull suggested consulting with SVEC to gather information regarding the load rating in the structural analysis they had done when they placed antennas on the tower.

Mr. Egeli is concerned the only agreement on file between the Service Authority and Augusta County officials and between the Service Authority and SVEC was when each entity originally placed equipment on the water tank and there was not an agreement for each entity's equipment to be transferred from the tank to the tower during the tank rehabilitation project. There should be a formal agreement in place for anyone wishing to utilize the tank or the tower in the future.

Staff believes the Service Authority should have a structural analysis completed on the tower and have any equipment not currently being used removed from the tower before the analysis is performed.

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Legal Committee

The Committee stated their report would be discussed during Closed Session.

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CLOSED SESSION

Mr. Egeli moved, seconded by Mr. Almarode to convene in closed session pursuant to Virginia Code §2.2-3711(A)(8), to consider opinions of legal counsel regarding specific legal matters requiring the provision of legal advice by such counsel.

Vote was as follows:

Yea:	Middleton, Gordon, Almarode, Dahl, Egeli, Shull, and Simmons
Nay:	None

Motion approved.

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Mr. Egeli moved, seconded by Mr. Dahl to come out of closed session.

Vote was as follows:

Yea:	Middleton, Gordon, Almarode, Dahl, Egeli, Shull, and Simmons
Nay:	None

Motion approved.

Board members were requested to certify only matters pursuant to Virginia Code §2.2-3711(A)(8) were discussed. Members certifying were Middleton, Gordon, Almarode, Dahl, Egeli, Shull, and Simmons.

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Legal Committee

Mr. Egeli moved, seconded by Mr. Shull for Dr. Middleton to compose a letter to the Martin family in response to their proposal at the February 25 meeting, in the format discussed in Closed Session.

Vote was as follows:

Yea:	Middleton, Gordon, Almarode, Dahl, Egeli, Shull, and Simmons
Nay:	None

Motion approved.

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## SOUTH RIVER AREA WATER & SEWER MASTER PLAN UPDATE

The Augusta County Service Authority Water and Sewer Master Plan is used as a planning tool for capital projects over a 20-year period. The document is not static and requires interim updates, typically at approximately 10-year intervals. The last county-wide master plan (all water and wastewater systems) was completed in 2010. Since some areas do not experience much, if any measurable growth, Staff is proposing to update the master plan for certain areas where growth is occurring, which includes the Stuarts Draft, Fishersville and Greenville Wastewater Systems. The South River Water System covers Fishersville, Stuarts Draft, Lyndhurst, Sherando, Mint Springs and Rt. 11 south of Staunton into Greenville.

Staff has worked with Whitman, Requardt, & Associates, LLP, (WR&A), which is under a General Services Agreement with the Authority, on the attached scope of work. Full funding for the project is included under the Engineering Department in account 620000-43131.

After discussion, Mr. Gordon moved, seconded by Mr. Simmons to authorize Staff to have Whitman, Requardt, & Associates, LLP move forward with updating the South River Area Water and Sewer Master Plan for a cost not to exceed \$128,660.00.

Vote was as follows:

Yea:	Middleton, Gordon, Almarode, Dahl, Egeli, Shull, and Simmons
Nay:	None

Motion approved.

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## FY-22 BUDGET OVERVIEW

Staff gave the preliminary overview of the FY-22 budget as presented on PowerPoint, which the Board received a copy of prior to the meeting.

The following specific items were highlighted in the presentation: water consumption revenues are approximately 2.7% above budget and sewer usage is approximately 3.7 % above budget; expenses are approximately 11% below budget; capital expenses are at 36% to date; FY-22 water and wastewater usage are projected to be the same as the 2021 budget; 110 new water connections and 85 new sewer connections are being projected with 40% at full hookup fees and 60% at partial hookup fees. Operating expenses are still being evaluated for FY-22, but are currently showing a 1.25% increase from FY-21. Health insurance is anticipated to increase 5%. Staff is considering and prioritizing the capital projects to be included in the FY-22 budget.

Staff will meet with the Personnel and Finance committees and will present the FY-22 draft budget at the April meeting based on input from both committees.

Dr. Middleton requested Staff to review the fuel budget for FY-22 given the recent increases in fuel prices. He also asked about the current levels of funding for depreciation.

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Staff responded, current levels are between 60% and 70%. Additional details will be provided during the meeting with the Finance committee.

**BOARD COMMENTS**

Mr. Simmons thanked the Legal Committee for the time and effort that was put into the report presented during Closed Session.

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There being no further business, the meeting was adjourned at 3:55 p.m.

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Board Secretary

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Chairman