

Augusta County Service Authority  
 Regular Board Meeting, Monday, December 8, 2014, at 4:00 p.m.  
 Board Meeting Room

PRESENT: David A. Karaffa, Chairman  
 Larry J. Wills  
 Nancy Taylor Sorrells  
 Tracy C. Pyles, Jr.  
 Jeffrey A. Moore  
 Marshall W. Pattie  
 Carolyn S. Bragg  
 Kenneth Fanfoni, Executive Director  
 Oscar Beasley, Deputy Executive Director  
 Brent Canterbury, Director of Finance  
 William Monroe, Director of Engineering  
 Tony Morse, Director of Treatment Operations  
 Jesse Roach, Director of Construction & Field Operations  
 Steve McAllister, Field Operations Superintendant  
 Sheri Heflin, Board Secretary

ABSENT: None

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#### APPROVAL OF MINUTES

Mr. Wills moved, seconded by Ms. Sorrells, to approve the minutes of the Regular Board Meeting of November 17, 2014, and the Special Called Board Meeting of November 21, 2014, which had been mailed to the members and no corrections were being made.

Vote was as follows:

Yeas:	Karaffa, Wills, Sorrells, Pyles, Moore, Pattie and Bragg
Nays:	None
Absent:	None

Motion approved.

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#### MATTERS PRESENTED BY THE PUBLIC

Mr. Bill Sibert came before the Board on behalf of Moore Brothers requesting a waiver of the sewer connection fee at 963 Laurel Hill Road in Verona.

On November 12, Customer Service received a call from Augusta Coop, who was renting the property from Moore Brothers, to turn on water. At that time, Customer Service was informed by the caller that the building was also connected to sewer. A review of Customer

MATTERS PRESENTED BY THE PUBLIC (CONTINUED):

Service records showed that a water-only connection fee was paid on September 9, 1980, but there was no annotation or mention of a sewer connection being paid for or made. The building had been vacant for several years, but from 1980 to 2003 it was occupied and billed as a water-only customer. Staff informed Augusta Coop that an investigation into the sewer connection would be made, and they would be notified of the findings.

Service Authority crews made a physical inspection of the property on November 14, and found that sewer was in fact connected to the main line. Based on this information, Mr. Sibert was informed that Moore Brothers would have to pay the sewer connection fee before service would resume at the property. Mr. Sibert stated that he would check his company records to see if he could produce proof of the connection fee being paid and a connection being made. He asked if the Service Authority would hold off any action until he had made his investigation. Staff agreed to give him time to look into it.

On November 17, Mr. Sibert came to the Service Authority with an easement on an adjacent property, which was granted by Moore Brothers in favor of the Service Authority. Mr. Sibert believed that the easement agreement included the sewer connection in lieu of a fee for the easement, although neither the easement itself nor the plat reflects that information. Mr. Sibert pointed out that this was not a new connection, and felt that the Service Authority should have realized there was a sewer connection long before now. Mr. Sibert requested that the Service Authority proceed with the connection as to not hold up his tenant's occupancy and he felt certain that a connection fee had been paid, although no proof could be obtained. Staff informed Mr. Sibert the he could address the Board with his request, as Staff did not have the authority to waive the connection fee. However, staff would authorize the connection for sewer and water to be made for the Coop so as not to delay their occupancy, pending final Board action.

Staff recommended to the Board that Moore Brothers be required to pay the connection fee for sewer per Service Authority Policy 5.1, in the current amount of \$5,900.

After discussion, Mr. Pyles felt that if there had been an arrangement made with Moore Brothers, the Service Authority would have a record of it and would have billed for the service. He reminded the Board that there is a set amount of capacity in the system, and this connection has not been accounted for in that number, and that the connection should be treated as a new connection. Mr. Moore agreed.

Ms. Bragg felt that there should be a connection fee, but it should be according to the fee that would have been charged at the time of the original hookup. Mr. Wills felt that the Service Authority should have questioned why this had been a water only connection, as the neighboring properties were already connected to sewer, and that the connection fee should split the difference between what the original fee was and what the current fee is.

Mr. Pyles reiterated that fees for sewer service have never been paid for this property, and that the Service Authority has lost revenue on this connection over the years.

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MATTERS PRESENTED BY THE PUBLIC (CONTIUED):

Mr. Pyles moved, seconded by Mr. Moore, to require Moore Brothers to pay an availability fee of \$4,900 for the sewer connection at 963 Laurel Hill Road in Verona. The connection fee of \$1,000 was forgiven as the connection is already active.

Vote was as follows:

Yeas:	Karaffa, Sorrells, Pyles, and Moore
Nays:	Pattie, Wills, and Bragg
Absent:	None

Motion approved.

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PROGRESS REPORT

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

Staff discussed the Thanksgiving Day water line break with the Board.

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RESOLUTION FOR ADOPTION OF NEW INTEREST RATE – VRA LOAN

In October, the Service Authority received notice from the Virginia Resource Authority (VRA) that a reduction in the interest rate of the 2007C Water and Sewer System Revenue Bonds had been authorized. The interest on these bonds will be reduced from 2.77 percent to 2.52 percent, and will result in interest savings to the Service Authority of \$297,497 over fifteen years. The reduction is the result of efforts taken to refund the remaining callable securities of the \$244,155,000 Clean Water State Revolving Fund Revenue Bonds, Subordinate Series 2007, which was the source of funding for the loan. Since the Fishersville WWTP upgrade was financed through these bonds, the interest savings will be passed on to the Service Authority, as well as legal fees incurred by VRA of approximately \$1,500.

**RESOLUTION AUTHORIZING THE EXECUTION OF AN AMENDMENT TO  
FINANCING AGREEMENT BETWEEN THE AUGUSTA COUNTY SERVICE  
AUTHORITY AND THE VIRGINIA RESOURCES AUTHORITY, AS  
ADMINISTRATOR OF THE VIRGINIA WATER FACILITIES REVOLVING FUND,  
AND AN AMENDMENT TO WATER AND SEWER SYSTEM REVENUE BOND,  
SERIES 2007C TO DECREASE THE INTEREST RATE THEREON**

**WHEREAS**, on October 11, 2007, U.S. Bank National Association, on behalf of the Virginia Resources Authority (the "Authority"), as Administrator of the Virginia Water Facilities Revolving Fund, acquired from the Augusta County Service Authority (the "Service Authority") a Water and Sewer System Revenue Bond, Series 2007C (the "Local Bond") in the original principal amount of \$17,028,808, pursuant to a Financing Agreement dated as of October 1, 2007 (the "Financing Agreement"),

between the Service Authority and VRA;

**WHEREAS**, the Service Authority, with the consent of VRA and the Virginia Department of Environmental Quality ("DEQ"), desires to amend the Financing Agreement to decrease the interest rate on the Local Bond, and to reduce the debt

**RESOLUTION FOR ADOPTION OF NEW INTEREST RATE – VRA LOAN**  
**(CONTINUED):**

service payments thereunder;

**WHEREAS**, a form of an Amendment to Financing Agreement (the "Amendment Agreement") between the Service Authority and VRA, which, among other things, amends the debt service payments under the Financing Agreement, is on file with the Service Authority;

**WHEREAS**, the form of an Allonge (the "Allonge"), which shall be attached to the Local Bond and evidences the reduction in debt service payments of the Local Bond, is on file with the Service Authority; and

**WHEREAS**, it appears to be in the best interests of the Service Authority and the residents of its service area to amend the Financing Agreement as set forth in the Amendment Agreement.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF THE AUGUSTA COUNTY SERVICE AUTHORITY:**

**1. Authorization of Amendment Agreement and Form of Allonge.**

The Board of the Service Authority (the "Board") hereby determines that it is in the best interest of the Service Authority to execute and deliver the Amendment Agreement and the Allonge for the Local Bond. The Board authorizes the execution and delivery of the Amendment Agreement. The Board hereby finds that the execution and delivery of the Allonge and the Amendment Agreement will promote the health, safety, welfare, morals and prosperity of the residents served by the Service Authority and will promote the governmental purposes for which the Service Authority was formed.

**2. Approval of Amendment Agreement.** The form of the Amendment Agreement is hereby approved. The Chairman of the Service Authority (the "Chairman") is hereby authorized to execute the Amendment Agreement in substantially such form, with such completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by the Chairman, whose approval shall be evidenced conclusively by the execution and delivery thereof.

**3. Execution of Allonge.** The form of the Allonge is hereby approved. The Chairman is hereby authorized and directed to execute and deliver the Allonge in substantially such form with respect to the Local Bond, to reflect the same amended terms as contained in the Amendment Agreement, together with such other completions, omissions, insertions and changes not inconsistent with this Resolution and the Amendment Agreement as may be approved by the Chairman, whose approval shall be evidenced conclusively by the execution and delivery thereof. The Secretary of the Service Authority (the "Secretary") is hereby authorized to attest or countersign the Allonge and affix the seal of the Service Authority thereon.

**4. Arbitrage Covenants.** The Board hereby covenants on behalf of the Service Authority that the Service Authority shall not take or omit to take any action the taking or omission of which will cause the Local Bond to be an "arbitrage bond," within the meaning of Section 148 of the Internal Revenue Code of 1986, as

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amended, including regulations applicable to thereto (collectively, the "Code"), or otherwise cause the interest on the Series 2007 VRA Bonds (as defined in the Financing Agreement) to be includable in the gross income for federal income tax purposes of the registered owners thereof under existing law. Without limiting the generality of the foregoing, the Service Authority shall comply with any provision of

**RESOLUTION FOR ADOPTION OF NEW INTEREST RATE – VRA LOAN**  
**(CONTINUED):**

law that may require the Service Authority at any time to rebate to the United States any part of the earnings derived from the investment of the gross proceeds of the Local Bond, unless the Service Authority receives an opinion of nationally recognized bond counsel that such compliance is not required to prevent the interest on the

Series 2007 VRA Bonds from being included in the gross income for federal income tax purposes of the registered owners thereof under existing law.

**5. Other Actions.** All other actions of officers of the Service Authority in conformity with the purposes and intent of this Resolution and in furtherance of the execution and delivery of the Amendment Agreement and Allonge are ratified, approved and confirmed. The officers of the Service Authority are authorized and directed to execute and deliver all certificates and other instruments, including, but not limited to, an amendment to or a new tax certificate related to the Local Bond, that such officer may consider necessary or desirable in connection with the transactions authorized pursuant to this Resolution. The authorization granted in this Resolution to the Chairman or Secretary, as the case may be, may be carried out by the Vice Chairman or Assistant or Acting Secretary, in the absence of the primary officer.

**6. Filing of Resolution.** The Counsel to the Service Authority is hereby authorized and directed to file a certified copy of this Resolution in the office of the Service Authority and with the Clerk of the Circuit Court of Augusta County, Virginia.

**7. Effective Date.** This Resolution shall become effective immediately.

**CERTIFICATE**

The undersigned Secretary of Augusta County Service Authority (the "Authority") certifies that the foregoing is a true, correct and complete copy of a Resolution adopted by the affirmative vote of a majority of the members of the Board of the Authority present at a public meeting duly called and held on December 8, 2014, at which meeting a quorum was present and acting throughout.

Dated: December \_\_\_, 2014

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Sheri Heflin, Secretary  
Augusta County Service Authority

[SEAL]

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**RESOLUTION FOR ADOPTION OF NEW INTEREST RATE – VRA LOAN  
(CONTINUED):**

SECOND ALLONGE DATED DECEMBER 1, 2014, ATTACHED TO  
AUGUSTA COUNTY SERVICE AUTHORITY  
WATER AND SEWER SYSTEM REVENUE BOND,  
SERIES 2007C  
DATED OCTOBER 11, 2007,  
PAYABLE TO U.S. BANK NATIONAL ASSOCIATION, AS SUCCESSOR  
TRUSTEE, ON BEHALF OF VIRGINIA RESOURCES AUTHORITY, AS  
ADMINISTRATOR OF THE VIRGINIA WATER FACILITIES REVOLVING FUND

Pursuant to a resolution of the Augusta County Service Authority (the  
"Borrower"), adopted on December 8, 2014:

(a) The Cost of Funds on this Bond (R-1) is reduced from  
2.77% per annum to 2.52% per annum beginning on September 1, 2014.

(b) The semiannual installment payments of principal and  
Cost of Funds due on March 1, 2015 and on each March 1 and September 1  
thereafter are changed from \$558,631.93 to \$548,715.36, and the final  
installment due on September 1, 2029 is changed from \$558,631.93 to  
\$548,715.36, when, if not sooner paid, all amounts due hereunder and under this  
Bond shall be due and payable in full.

**IN WITNESS WHEREOF**, the Augusta County Service Authority has  
caused this Second Allonge to be signed by the manual signature of the  
Chairman of the Augusta County Service Authority, the seal of the Augusta  
County Service Authority to be affixed hereon and attested to by the manual  
signature of the Secretary of the Augusta County Service Authority, as of the  
date set forth above.

**AUGUSTA COUNTY SERVICE AUTHORITY**

By: \_\_\_\_\_  
David A. Karaffa, Chairman

[SEAL]

ATTEST:

\_\_\_\_\_  
Sheri Heflin, Secretary

[Signature page to Second Allonge – Augusta County Service Authority 2007]

**SECOND AMENDMENT TO FINANCING AGREEMENT**

**Between**

**VIRGINIA RESOURCES AUTHORITY,**

**as Administrator of the**

**Virginia Water Facilities Revolving Fund**

**AND**

**AUGUSTA COUNTY SERVICE AUTHORITY**

**Virginia Resources Authority**

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**RESOLUTION FOR ADOPTION OF NEW INTEREST RATE – VRA LOAN  
(CONTINUED):**

**Virginia Water Facilities Revolving Fund  
Loan No. C-515382-02  
SECOND AMENDMENT TO FINANCING AGREEMENT**

**THIS SECOND AMENDMENT TO FINANCING AGREEMENT** (this "Amendment") is made as of December 1, 2014, between the **VIRGINIA RESOURCES AUTHORITY**, a public body corporate and a political subdivision of the Commonwealth of Virginia (the "Authority"), as Administrator of the **VIRGINIA WATER FACILITIES REVOLVING FUND**, and the **AUGUSTA COUNTY SERVICE AUTHORITY**, a political subdivision of the Commonwealth of Virginia (the "Borrower").

**A.** On October 11, 2007 (the "Closing Date"), the Borrower issued its Water and Sewer System Revenue Bond, Series 2007C, in the maximum principal amount of \$17,028,808 (the "Local Bond"), and sold the Local Bond to U.S. Bank National Association, as successor trustee (the "Trustee") for the benefit of the Authority, pursuant to a Financing Agreement dated as of October 1, 2007 (the "Original Financing Agreement"), between the Authority and the Borrower.

**B.** The Authority and the Borrower previously amended the Original Financing Agreement pursuant to an Amendment to Financing Agreement dated as of September 1, 2013 (together with the Original Financing Agreement, the "Financing Agreement"), to reduce the Cost of Funds on the Local Bond.

**C.** The Authority and the Borrower desire to further amend the Financing Agreement, as set forth herein.

**D.** The Authority and the Borrower, with the consent of the Department of Environmental Quality (the "Department"), hereby set forth certain amendments to the Financing Agreement.

**NOW, THEREFORE**, in consideration of the premises and the mutual covenants and agreements hereinafter contained, the Authority and the Borrower, with the consent of the Department, covenant and agree as follows:

**ARTICLE I  
DEFINITIONS**

**Section 1.1 Definitions.** The capitalized terms contained in this Amendment shall have the meanings set forth in the Financing Agreement except as defined in the recitals above or unless the context otherwise requires.

**ARTICLE II  
AMENDMENTS TO FINANCING AGREEMENT**

**Section 2.1 Amendments to Section 1.1 of the Financing Agreement.**

(a) Section 1.1 of the Financing Agreement is amended by inserting the following after the definition of "[Project Costs]":

"Second Allonge" means that certain Second Allonge to the Local Bond made by the Borrower in favor of the Trustee, on behalf of the Authority, and dated December 1, 2014.

**RESOLUTION FOR ADOPTION OF NEW INTEREST RATE – VRA LOAN  
(CONTINUED):**

(b) Section 1.1 of the Financing Agreement is amended by deleting the definition of "Local Bond" and inserting the following therefor:

"Local Bond" means, collectively, the Water and Sewer System Revenue Bond, Series 2007C issued by the Borrower to the Trustee, as amended by the Allonge and the Second Allonge, each attached to the Local Bond and made a part thereof.

**Section 2.2 Amendments to Section [6.1(a)] of the Financing Agreement.**

Section [6.1(a)] of the Financing Agreement is amended to read as follows:

"(a) (i) The Local Bond shall be dated the date of its delivery to the Trustee. The Cost of Funds of the Local Bond shall be computed on the disbursed principal balance thereof at the rate of three percent (3.00%) per annum from the date of each disbursement until September 1, 2013, from that date to September 1, 2014, at the rate of two and seventy-seven one-hundredths percent (2.77%) per annum, and from that date to September 1, 2029, at the rate of two and fifty-two one-hundredths percent (2.52%) per annum. The Cost of Funds of the Local Bond shall be allocated, until September 1, 2013, in accordance with the following: (A) two and eighty one-hundredths percent (2.80%) per annum payable for the benefit of the Fund, and (B) twenty one-hundredths percent (0.20%) per annum payable for the benefit of the Authority as an annual administrative fee. From and after September 1, 2013 until September 1, 2014, the Cost of Funds of the Local Bond shall be allocated in accordance with the following: (x) two and fifty-seven one-hundredths percent (2.57%) per annum for the benefit of the Fund, and (y) twenty one-hundredths percent (0.20%) per annum payable for the benefit of the Authority as an annual administrative fee. From and after September 1, 2014, the Cost of Funds of the Local Bond shall be allocated in accordance with the following: (I) two and thirty-two one-hundredths percent (2.32%) per annum for the benefit of the Fund, and (II) twenty one-hundredths percent (0.20%) per annum payable for the benefit of the Authority as an annual administrative fee.

(ii) The Cost of Funds only on all amounts disbursed under the Local Bond shall be due and payable on September 1, 2029. Commencing on March 1, 2010, and continuing semi-annually thereafter on March 1 and September 1 in each year until September 1, 2013, principal and the Cost of Funds due under the Local Bond shall be payable in equal installments of \$579,909.75. Commencing on March 1, 2014 and continuing semi-annually thereafter on March 1 and September 1 of each year until September 1, 2014, principal and the Cost of Funds due under the Local Bond shall be payable in equal installments of \$558,631.93. Commencing on March 1, 2015 and continuing semi-annually thereafter on March 1 and September 1 of each year, principal and the Cost of Funds due under the Local Bond shall be payable in equal installments of \$548,715.36, with a final installment of \$548,715.36 due and payable on September 1, 2029, when, if not sooner paid, all amounts due hereunder and under the Local Bond shall be due and payable in full. Each installment shall be applied first to the payment of the Cost of Funds accrued and unpaid to the payment date and then to principal. If principal disbursements up to the maximum authorized amount of the Local Bond are not made, the principal amount due on the Local Bond shall not include such undisbursed amount. However, unless the Borrower and the Authority agree otherwise in writing, until all amounts due hereunder and under the Local Bond shall have been paid in full, less than full disbursement of the maximum authorized amount of the Local Bond shall not postpone the due date of any semi-annual installment due on the Local Bond, or change the amount of such installment unless the principal amount due under the Local Bond is less than the amount of



**RESOLUTION FOR ADOPTION OF NEW INTEREST RATE – VRA LOAN  
(CONTINUED):**

such installment. If any installment of principal of or the Cost of Funds on the Local Bond is not paid within ten (10) days after its due date, the Borrower agrees to pay to the Authority a late payment charge in an amount equal to five percent (5.0%) of the overdue installment."

**ARTICLE III  
MISCELLANEOUS**

**Section 3.1 Successors and Assigns.** This Amendment shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

**Section 3.2 Applicable Law.** This Amendment shall be governed by the laws of the Commonwealth of Virginia.

**Section 3.3 Ratification of Financing Agreement.** All of the representations and warranties of the Borrower contained in Article II of the Financing Agreement are true and correct as of the date hereof. All terms of the Financing Agreement except as amended or modified by the terms of this Amendment are hereby reaffirmed, ratified and confirmed. This Amendment shall not be construed as and is not intended as a novation of the Local Bond.

**Section 3.4 Ratification of Tax Compliance Agreement.** All of the representations and warranties of the Borrower contained in the Federal Tax Certificate and Compliance Agreement dated as of the Closing Date (the "Tax Compliance Agreement"), between the Authority and the Borrower, are true and correct as of the date hereof. All terms of the Tax Compliance Agreement are hereby reaffirmed, ratified and confirmed.

**Section 3.5 Severability.** If any clause, provision or section of this Amendment shall be held illegal or invalid by any court, the illegality or invalidity of such clause, provision or section shall not affect the remainder of this Amendment which shall be construed and enforced as if such illegal or invalid clause, provision or section had not been contained in this Amendment. If any agreement or obligation contained in this Amendment is held to be in violation of law, then such agreement or obligation shall be deemed to be the agreement or obligation of the Authority and the Borrower, as the case may be, only to the extent permitted by law.

**Section 3.6 Headings.** The headings of the several articles and sections of this Amendment are inserted for convenience only and do not comprise a part of this Amendment.

**Section 3.7 Term of Amendment.** This Amendment shall be effective upon its execution and delivery, provided that the Local Bond previously or simultaneously has been executed and delivered. Except as otherwise specified, the Borrower's obligations under the Local Bond and this Amendment shall expire upon payment in full of the Local Bond and all other amounts payable by the Borrower under the Financing Agreement.

**Section 3.8 Counterparts.** This Amendment may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument.

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**RESOLUTION FOR ADOPTION OF NEW INTEREST RATE – VRA LOAN  
(CONTINUED):**

**WITNESS** the following signatures, all duly authorized.

**VIRGINIA RESOURCES AUTHORITY, as  
Administrator of the Virginia Water  
Facilities Revolving Fund**

By: \_\_\_\_\_  
Stephanie L. Hamlett, Executive Director

**AUGUSTA COUNTY SERVICE AUTHORITY**

By: \_\_\_\_\_  
David A. Karaffa, Chairman

The Trustee hereby acknowledges the aforementioned amendments to the Financing Agreement.

**U.S. BANK NATIONAL ASSOCIATION, as Trustee**

By: \_\_\_\_\_  
Title: Vice President

Staff recommended that the Board adopt the Resolution and Agreements as presented.

Mr. Wills moved, seconded by Dr. Pattie, to approve the Resolution and Agreements as presented.

Vote was as follows:

Yeas:	Karaffa, Sorrells, Pyles, and Moore
Nays:	Pattie, Wills, and Bragg
Absent:	None

Motion approved.

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**APPROVAL OF FY2014 AUDIT & CAFR**

The Finance & Audit Committee met with PBMares on December 1, to discuss the FY2014 Audit and CAFR. The Service Authority received an unmodified (clean) opinion from the auditors.

Staff pointed out that next year, pension will have to be reported as a reduction of the Service Authority's net position, and it will show up as a liability.

Mr. Pyles reminded the Board that the rate increases over the past several years only covered necessary expenses, and have not been enough to stay ahead of things like aging

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#### APPROVAL OF FY2014 AUDIT & CAFR

infrastructure or expansion. He urged the Board to start looking at rate increases as a way to get the Service Authority back on track for covering future needs. Mr. Moore stated that growth was needed in the county to increase the Service Authority's revenue, and agreed that aging infrastructure was a concern that needed to be addressed.

Mr. Pyles moved, seconded by Mr. Moore, to approve the audit & CAFR as presented.

Vote was as follows:

Yeas:	Karaffa, Sorrells, Pyles, and Moore
Nays:	Pattie, Wills, and Bragg
Absent:	None

Motion approved.

Staff noted that the Augusta Regional Landfill also received a clean audit.

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#### UPDATE ON SHAMROCK FARMS

Based on the little information the Service Authority received from Shamrock Farms concerning their estimated output, Staff budgeted for 75,000 gpd water usage over four billing cycles. Currently, however, they are averaging 87,000 gpd with most production days over 120,000 gpd. Shamrock Farms is permitted for 150,000 gpd wastewater discharge, and has averaged 92,000 gpd on most production days. They had, however, exceeded 150,000 gpd in their first month of operation.

Some concerns the Service Authority has about Shamrock Farms include the size of their wastewater collection tank, their treatment capacity, no redundancy in their system, inconsistent process control, staffing for the treatment process, and no alarm or SCADA system.

Shamrock Farms has exceeded their allowable limits of phosphorus, nitrogen, and biochemical oxygen demand (BOD) and incurred multiple violations to date. The Service Authority has assisted Shamrock Farms several times to help them correct process upsets. Costs associated with these corrections have been billed to Shamrock Farms.

Shamrock Farms intended to land apply wastewater sludge; however, samples to date have not met EPA/DEQ requirements. Sludge now requires additional pH treatment prior to leaving their plant, and has temporarily been stored at the Middle River WWTP.

Staff will be issuing a Written Warning letter citing permit violations to date and listing required actions Shamrock Farms needs to take to stay in compliance.

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## DOMINION POWER

Staff met with Dominion Power on December 3, to discuss some technical issues of the Atlantic Coast Pipeline. The proposed route runs along the Augusta Regional Landfill, and may affect the groundwater and gas monitoring wells. Any land disturbance in the area could put the Landfill into non-compliance.

Staff had requested information from Dominion concerning restrictions that would apply in the Service Authority's right-of-way. At the meeting, Dominion stated that most of the information contained in the document they provided did not apply to the Service Authority, and that a document tailored to the Service Authority would be compiled sometime after the first of the year. Staff requested that Dominion go back and review the evaluation by Peed & Bortz, LLC, and answer the questions raised in the report.

Staff will distribute a written list of the questions and responses from the meeting to the Board once it is prepared.

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## BOARD COMMENTS

Mr. Moore stated that Staff had prepared a route for a 4-inch domestic-only line for the Hugh K. Cassell Elementary School. Fire flow would still be handled through an on-site tank. The School Board felt that being a Service Authority customer would be a great benefit to them.

Mr. Wills thanked Ms. Sorrells for her service to the Board.

Mr. Karaffa requested that Staff look at the Service Authority's By-Laws to temporarily amend the terms of service for Board members to coincide with the Board of Supervisors' terms. Staff stated that they will contact the Service Authority's legal counsel for guidance on language to meet the Board's request for a By-Laws change.

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## APPOINT NOMINATING COMMITTEE

Mr. Karaffa appointed Dr. Pattie and Mr. Moore to the Nominating Committee for 2015. They will present their nominations at the January 2015 Board Meeting.

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There being no further business, the meeting was adjourned at 5:54 p.m.

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Secretary

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Chairman