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Augusta Water

Regular Board Meeting, Thursday, May 15, 2025, at 1:30 p.m.

Field Operations Training 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
Jean Marshall, Board Secretary

ABSENT: Brent Canterbury, Treasurer

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CALL TO ORDER

The Chairman called the meeting to order at 1:32 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. Gordon moved, seconded by Mr. Simmons to approve the Minutes of the Regular Board Meeting of April 17, 2025.

Vote was as follows:

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

Motion approved.

MATTERS PRESENTED BY THE PUBLIC

No members of the public were in attendance to make comments and no public comments were brought forth by Staff.

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EXECUTIVE DIRECTOR'S HIGHLIGHTS

Mr. Martin noted the Highlights state precipitation for Augusta Water facilities is 1.3" below normal, when in fact it is 3.6" below normal.

Mr. Martin reported there were ten new water connections and eight new sewer connections since the April meeting.

Mr. Martin stated the Consumer Price Index increased by 0.2% in April resulting in a 2.3% increase year to year. The Producer Price Index decreased by 0.5% in April, resulting in a 2.4% increase year to year.

Mr. Martin brought to the attention of the Board three letters from Suffolk Sales and Service, which are attached to the Highlights. The letters address price adjustments on glycerin products. The price adjustments will be reflected as a change in the proposed FY2026 Budget.

Mr. Martin also presented the Board with a copy of a press release from the EPA, a copy of a news article from the AP, and a copy of the Regulatory Advisory document from the American Water Works Association regarding PFOA and PFOS contaminants.

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PROGRESS REPORT

The April Progress Report was included in the Board packets and was reviewed with the Board.

There were no questions or comments by the Board members.

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COMMITTEE REPORTS

There were no committee reports given.

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AUTHORIZATION TO ISSUE PURCHASE ORDER FOR FISHERSVILLE WWTP DIGESTER BLOWER VFD

Mr. Martin explained to the Board members, previously approved Capital Budgets included a total of \$194,000 for replacing the Digester Blower at the Fishersville WWTP. When quotes were initially solicited for a turn-key package, they came back far above the available budget.

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After reviewing ways to bring the cost down, it was determined the existing controls for the blower had significant life left in them. It was decided, rather than purchase a complete package, the blower and the variable frequency drive (VFD) could be purchased separately, and the existing controls could continue to be used. This did mandate the replacement blower and VFD would need to be compatible with the controls. Since the original funding, \$354.65 has been spent on various preparatory functions, leaving a total of \$193,645.35 available.

The compatible blower was purchased from Sherwood Logan utilizing the Uniquely Qualified provision in our Purchasing Policy at a cost of \$145,192. This left \$48,453.35 available to purchase the VFD.

A compatible VFD is available from Capital Electric Supply through the University of Virginia State Contract (cooperative procurement). The contract pricing was \$58,960, but due to uncertainty of impending tariffs, they have quoted a maximum cost of \$62,960 (which may be less, depending on the tariffs). At worst case, there is a \$14,506.65 shortfall in approved funding.

Augusta Water's Purchasing Policies and Procedures state in §1.3 SIGNATURE AUTHORITY, Paragraph 1.3.4 "Authorizations up to the approved budget amount for purchases fully funded in an approved budget can be approved by the Executive Director." Since the amount for the purchase order to Capital Electric Supply exceeds the remaining funds from the FY-23 and FY-24 budgets, and the total for the Blower and VFD exceeds \$100,000, authorization to issue a purchase order must come from the Board.

Staff recommends the Board authorize Staff to execute a Purchase Order in the amount of up to \$62,960.0 to Capital Electric Supply for the new VFD.

There being no discussion on the matter, Mr. Egeli moved, seconded by Mr. Gordon to authorize Staff to execute a Purchase Order up to \$62,960.00 to Capital Electric Supply for the new VFD.

Vote was as follows:

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

Motion approved.

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FY2026 PROPOSED BUDGET

Mr. Martin informed the Board members there has been one change to the Capital Budget since the April meeting; the cost for the JT24 Bore Machine has increased by \$10,000. The Chemical section of the Operating Expense Budget has increased by \$41,250 since the April meeting due to the rising costs of glycerin, as mentioned during the Executive Director Highlights.

Mr. Martin also informed the Board there is potential the Capital Budget may need to be further adjusted for FY2026 due to an increase in costs for the replacement of the headworks at the

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Vesper View WWTP. Plans were recently received from Wiley Wilson, which included an updated engineer's estimate. This estimate is significantly higher than the previous estimate. Staff is investigating the reason for the increase. An update will be given at the June meeting.

Mr. Martin reminded the Board the Finance Committee recommended a 3% rate increase in the water and the sewer variable rates at the April meeting. Staff recommends the Board authorize Staff to proceed with advertising the proposed rate schedule and set a Public Hearing to coincide with the June 19 Board of Directors meeting.

After discussion by the Board members, Mr. Gordon moved, seconded by Mr. Simmons to authorize staff to advertise the proposed rate schedule and to set a Public Hearing to coincide with the June 19, 2025 Board of Directors meeting.

Vote was as follows:

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

Motion approved.

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BOARD COMMENTS

Board members thanked staff for the work they do on behalf of Augusta Water.

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ADJOURNMENT

There being no further business, Mr. Shull moved, seconded by Mr. Egeli to adjourn the meeting at 1:59 p.m.

Vote was as follows:

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

Motion approved.

Board Secretary

Chairman