

Augusta Water
Regular Board Meeting, Thursday, December 18, 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
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. Gordon moved, seconded by Mr. Shull to adopt the Agenda as presented.
Vote was as follows:

Yeas: 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. Egeli to approve the Minutes of the Regular Board Meeting of November 20, 2025, which were sent to the members prior to this meeting.

Vote was as follows:

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

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.

EXECUTIVE DIRECTOR'S HIGHLIGHTS

Mr. Martin gave an update on the relocation of the Brookmill pump station, and stated the proposed location has been staked and the property owner agrees with the location. Consultants are working on the design for the pump station, and sight distance has been approved by VDOT.

Mr. Martin stated, the Consumer Price Index increased 0.2% over the last two months, resulting in a 2.7% increase year to year. The Producer Price Index data has not been released as of this date.

Mr. Martin asked the Board if they would like the Utilization of the Uniquely Qualified Vendor Provision information to continue to be included in the Highlights. The Board members indicated they would like for the information to be included in the Highlights each month.

Mr. Simmons asked for confirmation Hershey received a warning letter for high Phosphorous discharge as noted in the Significant Discharge Update section of the Highlights. Ron Elkins, Director of Treatment Operations, stated, at the time departmental reports were submitted for the Board packets, Staff only had a limited amount of information. New information has been received since the Board packets were sent to the Board members, which indicated Hershey will not receive a warning letter.

Mr. Simmons asked if Shamrock will be receiving a Notice of Violation (NOV) for the month of November, as indicated in the Highlights. Mr. Elkins stated Shamrock received a NOV due to high pH values.

Mr. Simmons asked what the consequences are if a plant continues to exceed the discharge limits after receiving a warning letter. Mr. Elkins stated Staff would work with the plant to help with their processes and at that point, if the plant continues to violate the regulations, they could be fined or ultimately, operations at the plant would be shut down.

Mr. Simmons asked if Board approval would be required to implement a fine or the discontinuation of operations. Mr. Martin stated if it came to shutting down operations, Staff would discuss the matter with the Board. If it would become necessary to implement a fine, Staff would be able to move forward without Board approval because of the set fine schedule in policy.

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PROGRESS REPORT

The November Progress Report was included in the Board packets and was reviewed with the Board. Mr. Egeli referred to the Engineering Plan Review Report section of the Progress Report and asked if the projects listed are pending. Mr. Martin stated they are project plans

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which were submitted in November for review by the Engineering Department. The report indicates how many times plans have been submitted for each project. Staff in the Engineering Department will review the plans and submit comments of recommended changes or updates.

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COMMITTEE REPORTS

Technology Committee

Dr. Middleton reported the Technology Committee met with Staff to discuss options for rebuilding the Berry Farm Water Treatment Plant. Rebuilding the plant would increase the ability to provide a reliable water supply to Verona. The Committee discussed the possibility of starting construction of a new plant in 2028.

The Committee also discussed the Weyers Cave Wastewater Treatment Plant, which has a capacity of a half-million gallons per day and only has a certain number of connections left. Rehabilitation of the existing plant would cost 60% of what it would take to build a new plant, which would allow for a capacity of one million gallons per day. If capacity was increased to one million gallons per day, it would allow for 2000 new connections in the Weyers Cave area. The concern is, will there be enough connections to warrant the increase. The cost of a new plant would be approximately \$25,000,000. The Committee decided for the time being, repairs and maintenance will continue to be made on the existing plant to keep it operable. The Committee and Staff will plan future meetings with Augusta County departments to discuss spending options for a new plant.

The Committee also discussed the Mt. Sidney Wastewater Treatment Plant. New development and the construction of new homes in the Mt. Sidney area will likely deplete the remaining connections at the treatment plant. Therefore, Augusta Water is moving forward with a preliminary engineering report to look at alternatives, such as converting the Mt. Sidney plant into a pump station, which will pump either to Middle River or Weyers Cave.

Finance Committee

Mr. Gordon reported the Finance and Audit Committee met with Dwight Buracker from the auditing firm of PBMares. Mr. Buracker presented the audit report to the Committee, which was unmodified. An unmodified report indicates Augusta Water’s financial statements were well prepared and complied with accounting standards.

Mr. Buracker pointed out the Government Finance Officers Association gave Augusta Water a Certificate of Achievement for Excellence in Financial Reporting. This certification is a significant recognition of the excellent financial reporting done by Augusta Water staff. The Committee commended Mr. Canterbury and his staff on a job well done.

There being no discussion by the Board members, Mr. Dahl moved, seconded by Mr. Shull to accept the audit report as presented by the Finance Committee.

Vote was as follows:

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

Motion approved.

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2025 YEAR END FINANCIAL REPORT

Mr. Canterbury reviewed the FY-25 financial highlights with the Board, which were included in the Board packets. He reported operating revenues were \$26.2M in FY-25, \$1.1M above budget, and \$0.2M below FY-24. Water consumption in FY-25 was 10.1% above budget, and sewer usage was 9.2% above budget. Operating expenses were \$18.0M in FY-25, \$1.5M below budget and \$2.3M above FY-24. Operating income was \$1.7M for the year, which was approximately \$2.8M above budget and \$2.5M below FY-24. The main causes for the increase were higher sewer usage, operating revenues being \$2.8M above budget, and lower than budgeted operating and depreciation expenses. The net position increased approximately \$4.9M, which is above the budget by approximately \$5.1M, and \$2.3M below the prior year. Augusta Water invested \$5.5M in capital assets in FY-25. Debt covenants were met with a 5.03 debt coverage ratio for FY-25, which is higher than the budgeted amount of 3.04 and above the FY-24 actual amount of 3.87. Higher than budgeted operating revenues, interest income, availability fees, and lower than budgeted operating expenses were the main drivers of the increase, along with decreasing debt obligations.

Augusta Water's finances remained stable during FY-25 and are well positioned to move into FY-26 and beyond. Sound financial planning by Staff and the Board during the upcoming budget process will ensure Augusta Water's finances are adequate for years to come.

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APPROVAL OF CHANGE ORDER TO NIELSEN FOR INSTALLATION OF FLOOD DOOR AT VERONA PUMP STATION

Mr. Martin explained, during the early morning hours of July 2, 2025, the Verona area received a substantial amount of rainfall in a very short period of time. As a result, the water level inside the wet well of the Verona Pump Station (located at the Middle River Wastewater Treatment Plant) overflowed. The overflowing water went through a door that was not water-tight and entered the "dry" portion of the pump station, which houses electric pumps and associated controls. This caused significant damage to that equipment.

Staff has determined that the old door should be removed and a water-tight flood door should be installed to avoid this situation from occurring in the future.

Nielsen was the successful bidder on the project replacing the old elevator with a stairway at this pump station. Since they have already been working at the site, staff has asked them for a price to install the flood door and they have offered a price of \$57,877.71. Staff is agreeable to this proposal and remaining budgeted funds are available to cover the cost, but the amount exceeds the limits in the Virginia Public Procurement Act without approval of the "governing body". As such, approval of this Change Order will require approval by this Board.

Staff recommends the Board approve a Change Order to Nielsen in the amount of \$57,877.71 to install a water-tight flood door at the Verona Pump Station.

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After some discussion, Board members recommended staff determine if it would be beneficial for a flood door to be installed at other facilities.

Mr. Egeli moved, seconded by Mr. Shull to approve the Change Order to Nielsen in the amount of \$57,877.71 to install a mechanical water-tight door at the Verona pump station.

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 wished Augusta Water employee’s a Merry Christmas and thanked them for a job well done.

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ADJOURNMENT

There being no further business, Mr. Shull moved, seconded by Mr. Dahl to adjourn the meeting at 2:17 p.m.

Vote was as follows:

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

Motion approved.

Board Secretary

Chairman