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Augusta Water

Regular Board Meeting, Thursday, March 19, 2026, 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 1:31 p.m.

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ADOPTION OF AGENDA

Mr. Martin requested to revise the Agenda to add a Resolution as Item 6 with all other items following subsequently. Mr. Shull moved, seconded by Mr. Egeli to adopt the revised 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. Gordon to approve the Minutes of the Regular Board Meeting of February 19, 2026, which were sent to the members prior to this meeting.

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

Augusta Water currently leases property from Augusta Stone Presbyterian Church (Church) located on the East side of Rt. 11(Lee Highway) for operation of the AMA sewer lift station. Representatives from the Church recently approached Staff expressing interest in selling 0.6 acres (including the leased portion) to Augusta Water. The Church no longer has a need for the property and feels it would be advantageous for Augusta Water to purchase the property for its needs.

Randolph Covington, a representative for the Church, explained after being approached by the Church to purchase the property, Augusta Water Staff had determined the property's value was approximately \$5,000.00. The Church is asking Augusta Water to consider purchasing the property and to consider offering a sum greater than the determined value of the property.

Mr. Egeli asked what the Church feels the property is worth to Augusta Water. Mr. Covington stated it depends on what Augusta Water's needs would be in the future.

Mr. Egeli asked what the proceeds from the sale of the property would be used for if the Board approves the purchase.

Mr. Covington stated if the property is sold, there are two options the Church is considering for the proceeds of the sale. One option is to put the proceeds in the capital improvement fund and never spend it, and the other option is to pay for the costly repair expenses the Church recently incurred.

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RESOLUTION

Mr. Egeli presented the following resolution honoring Augusta Water's 60th Anniversary Celebration.

WHEREAS, the Augusta County Service Authority, d/b/a Augusta Water ("Augusta Water") was formally constituted on March 15, 1966, when the Virginia State Corporation Commission approved the Articles of Incorporation;

WHEREAS, Augusta Water celebrated its 60th Anniversary on March 15, 2026;

WHEREAS, Augusta Water Administration and the Augusta Water Board of Directors wished to commemorate the 60th Anniversary with an Employee Luncheon and Celebratory Reception, to include employees, retirees, past and present Board Members, intergovernmental partners, and other friends and associates of Augusta Water;

WHEREAS, on Wednesday, March 18, 2026, an exceptional event was held at the Augusta Military Academy, resulting in an appropriate honoring of Augusta Water employees for their consistent and enduring commitment to the residents and businesses of Augusta County, and recognizing Augusta Water's rich history and bright future;

WHEREAS, the current Augusta Water employees are excellent successors to the historical people who for thousands of years have been dedicated to providing good drinking water and disposing of wastewater and solid waste;

WHEREAS, the planning, logistics, setup and implementation of the Employee Luncheon and Celebratory Reception involved a significant, diligent and thoughtful effort by certain members of the Augusta Water Staff, especially Faun Runkle, Jean Marshall and Hannah Perry, and;

WHEREAS, the Augusta County Clerk of the Court, Steven Landes, issued a certificate from the Clerk memorializing the 60th Anniversary.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Augusta County Service Authority, d/b/a Augusta Water hereby approves of this Resolution, which 1) commends the outstanding effort, care, and diligence of all employees, 2) expresses its appreciation of the efforts of employees Faun Runkle, Jean Marshall and Hannah Perry in implementing the Employee Luncheon and 3) thanks Clerk of the Court, R. Steven Landes, for his issuance of the memorial certificate.

Signed:

Dr. Andrew Middleton, Chairman
Augusta Water Board of Directors

Signed this 19th day of March, 2026

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EXECUTIVE DIRECTOR’S HIGHLIGHTS

The Highlights were included in the Board packets and reviewed with the Board members.

Mr. Martin stated the PPI was 0.7% for the month of February, resulting in a 3.4% increase year to year.

Mr. Martin mentioned the supply chain issue with Hydrofluosilicic Acid noted in the Economic Update section of the Highlights. This chemical is used to fluoridate Augusta Water’s drinking water, and supply chain issues could potentially cause problems in the future. He stated the issues are due to the war in the Middle East. Currently, Staff is considering other options, such as powdered fluoride, in order to maintain the current practice of fluoridating the drinking water.

There were no questions from the Board members regarding the Highlights.

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PROGRESS REPORT

The February Progress Report was included in the Board packets and was reviewed with the Board. There were no questions by the Board members.

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COMMITTEE REPORTS

The Land and Water Committee will present a report during the Closed Session.

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UPDATE ON THE 2026 VIRGINIA GENERAL ASSEMBLY

Mr. Martin gave an update on the bills proposed at the 2026 Virginia General Assembly Legislative Session, which were reviewed with the Board members at the January and February meetings. He specifically noted SB138 - PFAS in Industrial Waste, passed the Senate and the House unanimously. This bill will have some effect on the Landfill due to the required quarterly testing, which will cost approximately \$6,000.00 annually. Mr. Martin stated, HB 1443 – PFAS in Sewage Sludge also passed the House and Senate. The Governor is expected to sign both of these bills. The Collective Bargaining Bill also passed the House and the Senate. VAMWA, the Authorities Association, VML and VACO are lobbying the Governor to veto the bill. The bill does have a delayed starting date of July 1, 2028. The Paid FMLA bill was passed by both the House and the Senate. Collecting the required premiums will begin in April, 2028 and benefits will be paid out in December, 2028. This bill will require employees and employers to each pay half of the cost of the premiums. The Apprenticeship Procurement bill also passed, but was modified to remove the requirement for a certain percentage of work be done by apprentice. The hiring quotas were also removed from this bill. The Prevailing Wage Act also passed, but was amended to limit the Act to states only.

Mr. Egeli stated he is concerned about the financial consequences to Augusta Water, which may be incurred by the requirements of some of the aforementioned bills.

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APPROVAL TO PURCHASE ENTERPRISE SOFTWARE (BILLING/CS/FINANCE ASSET MANAGEMENT AND HR MODULES)

Mr. Martin stated, Augusta Water currently utilizes Naviline Select (formerly HTE) as its Billing/Customer Service software, FinancePlus as its Finance/HR software and EAM (formerly Lucity) as its Asset Management software. All these products are owned by CentralSquare. While FinancePlus and Lucity reside on Augusta Water servers, Naviline Select resides on the Augusta County AS400 server. Augusta County is in the process of migrating to a new enterprise software system and has informed us they will no longer maintain or support their AS400 in the near future.

Because Augusta Water does not have the technical expertise to maintain the AS400 in-house, Staff began last year to evaluate several options. These options ranged from upgrading just

Billing/Customer Service through a full replacement of all of Augusta Water’s software and included multiple demonstrations from several vendors.

After reviewing the options and associated costs, it was determined the most cost-effective (both in terms of dollars and staff impact) course was to upgrade our existing software and stay with CentralSquare. In this option, Augusta Water will migrate to the latest cloud hosted versions of CentralSquare’s Naviline, FinanceEnterprise, and EAM. To best control costs, the implementation is being performed on a fixed cost basis.

The total cost for all packages, integration and any necessary training is \$252,388.81 with recurring annual upgrade and support costs of \$175,223.81 (included in the total cost). The future recurring costs will be somewhat offset with the elimination of our existing support agreements (budgeted at \$110,500) upon project completion. It should be noted however, the project would need to be phased, with the most urgent need to replace our Billing/CS software first and other platforms as the project progresses. The project is expected to extend well into FY-27, but approximately \$81,363.83 in subscription costs (Naviline) and \$50,000 in integration/training is expected to be completed in FY-26.

The FY-26 Expense Budget included \$110,500 for software maintenance and \$56,000 for Billing/CS migration for a total of \$166,500. The FY-27 Expense Budget will include funding to cover the remaining portion.

Since the Total Project Cost exceeds the amount budgeted in FY-26, our Purchasing Policy requires approval from the Board. Staff recommends authorization of the total amount (\$252,388.81) to be spread over FY-26 and FY-27. Recurring annual costs will be included in upcoming Expense Budgets.

Mr. Dahl asked what the cost of a new server would be. Casey McCracken, Director of IT stated he would estimate the cost of a new server to be less than \$100,000.00.

There being no further discussion, Mr. Egeli moved, seconded by Mr. Shull to approve the total amount of \$252,388.81 for the upgrade of the Enterprise software to be spread over FY-26 and FY-27.

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CLOSED SESSION- 2.2-3711(A)(3)

Mr. Gordon moved, seconded by Mr. Almarode to go into Closed Session Pursuant to Virginia Code 2.2-3711(A)(3), to discuss or consider the acquisition of real property for a public purpose where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body.

Vote was as follows:

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

Motion approved.

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Mr. Shull moved, seconded by Mr. Gordon to come out of Closed Session.

Vote was as follows:

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

Motion approved.

Board members were requested to certify only matters pursuant to Virginia Code §2.2-3711(A)(3) were heard, discussed or considered. Members certifying were Middleton, Gordon, Almarode, Dahl, Egeli, Shull and Simmons.

Mr. Dahl moved, seconded by Mr. Egeli to approve the offer for the purchase of 0.6 acres of land from Augusta Stone Presbyterian Church in the amount of \$8,000.00, including the payment of any surveying and legal fees.

Vote was as follows:

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

Motion approved.

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BOARD COMMENTS

There were no comments by the Board members.

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ADJOURNMENT

There being no further business, Mr. Shull moved, seconded by Mr. Gordon to adjourn the meeting at 2:37p.m.

Vote was as follows:

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

Motion approved.

Board Secretary

Chairman