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Augusta Water
Regular Board Meeting, Thursday, April 16, 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
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: Allen Dahl, Beverley Manor District

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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. Gordon moved, seconded by Mr. Shull to approve the Agenda as presented.

Vote was as follows:

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

Motion approved.

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APPROVAL OF MINUTES

1. March 19, 2026 Regular Board Meeting

Mr. Gordon moved, seconded by Mr. Almarode to approve the Minutes of the Regular Board Meeting of March 19, 2026, which were sent to the members prior to this meeting.

Vote was as follows:

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

Motion approved.

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2. April 2, 2026 Executive Committee Meeting

Mr. Simmons moved, seconded by Mr. Shull to approve the Minutes of the Executive Committee Meeting of April 2, 2026, which were sent to the members prior to this meeting.

Motion was approved by voice vote.

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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 presented the Board with a Memo from L. Preston Bryant, Jr. of McGuireWoods Consulting, LLC. The Memo was in regards to HB1263/SB 378 - Collective Bargaining, which originally passed in the 2026 Virginia General Assembly; however, Governor Spanberger returned HB1263 with executive amendments. The General Assembly will reconvene on April 22, 2026 to consider and vote on the Governor’s amendments to the bill.

Mr. Martin informed the Board members of a FOIA bill passed in the General Assembly and signed by the Governor. The bill prevents a public body from making additions to an agenda after the public meeting has commenced. The bill also requires agendas to be published for public view before the meeting date. This bill will take effect July 1, 2026.

Mr. Martin reported the PPI increased 0.5%, resulting in a 4.0% increase year to year. This is the largest increase since February of 2023.

Mr. Martin informed the Board members Nick King, Safety Manager, will be resigning as of March 24, 2026.

There were no questions by the Board members.

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PROGRESS REPORT

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

COMMITTEE REPORTS

Personnel Committee

Mr. Simmons, Chairman of the Personnel Committee stated, the Committee met with Mr. Martin and Faun Runkle, HR Director, on March 23, 2026 to discuss the possibility of pay increases for Augusta Water employees. The Committee discussed recommending a total increase of 6% (4% COLA & 2% merit). The COLA increase will be granted to those who are employed on or before July 1, 2026. The merit increase will be granted to every employee hired before January 1, 2026 and who have not received a written reprimand or worse between July 1, 2025 and June 30, 2026. The merit increase does not apply to the Executive Director. Staff recommended the bottom of the pay scale be increased by 3% to account for inflation. Staff also recommended the top of the pay scale be increased by 5%. The Committee supports these recommendations.

Mr. Martin stated, the option of adding a Roth IRA to the Deferred Comp plan was also discussed. There would be no cost to Augusta Water to add the Roth IRA option, and it would give employees an additional investment opportunity.

Mr. Martin stated the addition of a Communications Manager position was also discussed. The Committee is in support of adding the new position.

Land & Water Committee

Mr. Shull stated the Land & Water Committee will give a report during Closed Session.

Executive Committee

Dr. Middleton stated the Executive Committee met on April 2, 2026. The purpose of the meeting was explained in the Minutes submitted by the Committee and included in the Board packets.

Finance & Audit Committee

Mr. Gordon, Chairman of the Finance & Audit Committee, stated, the Committee met with Mr. Martin and Mr. Canterbury to review the proposed FY-27 budget. Mr. Gordon noted revenues have been up and operating expenses have been down during FY-26. The Committee feels Augusta Water is in a healthy financial situation.

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FY-27 DRAFT BUDGET

Mr. Canterbury gave a PowerPoint presentation on the FY-27 Draft Operating and Capital Budget to the Board members, as it was discussed at the aforementioned committee meetings. He presented the projected increases and decreases as detailed below.

An increase for health insurance was not included in the FY-27 budget due to the current reserve balance of \$1,751,000. The budget includes the proposed 4% pay COLA and 2% merit increase. A 3% variable rate increase to the water and sewer usage rates is recommended by the Finance & Audit Committee. Based on the recommended rate increase, the average residential water and sewer bill for FY-27 would be \$182.07 bi-monthly, resulting in a \$4.18 bi-monthly increase and

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a yearly increase of \$25.08 to the average residential customer, with a net of \$192.31 per year from each residential customer.

The following are projections for the FY-27 operating budget: Total revenue - \$27.6 million; total operating expenses - \$20.8 million; depreciation (noncash) - \$6.5 million; interest expense - \$0.2 million; and debt payments - \$2.0 million. The budgeted debt coverage ratio for FY-27 is 3.85, which is above the Board specified minimum guidelines.

Mr. Canterbury explained to the Board the projected expense changes in the FY-27 operating budget and stated the changes result in an overall increase of \$382,000, which is a 1.42% increase over FY-26.

	Increases		Decreases
Salaries & Benefits	\$ 641,000	Equipment	(\$325,000)
Computer Software Support	\$ 211,000	Depreciation	(\$150,000)
Purchased Water/WW	\$ 108,000	Chemicals	(\$90,000)
Contracted Services	\$ 73,000	Repair/Maint. Supplies	(\$77,000)
Other	\$ 59,000	Fuel	(\$68,000)

Water projects for FY-27 are estimated at \$2.3. million, sewer projects are estimated at \$3.1 million, and vehicles, equipment, and miscellaneous expenses are estimated to be \$0.7 million, for a total of \$6.1 million.

Key projects for FY-27 include:

Water

Waterline Replacement	\$ 1,197K
Verona Interconnect	\$ 298K
Water Facility	\$ 170K
Hurdis WTP Generator	\$ 160K

Sewer

Brookmill PS Upgrade	\$1,903K
Inflow & Infiltration	\$ 750K
WWTP Equipment	\$ 430K

Other

Barn Renovation	\$ 215K
Sewer Liner Trailer	\$ 110K
Cap. Equip/Vehicles	\$ 395K

There were no questions by the Board members.

AUTHORIZATION OF ADDITIONAL FUNDS FOR HICKORY HILL BOOSTER STATION PROJECT

Mr. Martin explained, in preparation of the FY-25 Capital Budget, Staff proposed the Hickory Hill Booster Station Project (Project). The initial Capital Project Request Form requested \$1,995,600 in the FY-25 Capital Budget.

As Staff worked through the Budget process, it was determined that the Project would take more than a full year to complete, and as such, it was decided to spread funding for the full project across two budget-years, with the bulk of the funding in FY-25. The FY-25 Approved Budget showed \$1,297,200 in FY-25, and another \$697,800 in FY-26. This totals \$1,995,000. It should be noted, however, only the current year (in this case FY-25) was formally approved.

When the FY-26 Capital Budget was presented and approved the additional \$697,800 was inadvertently omitted, and has therefore not been properly approved.

Staff became aware of this omission as we came closer to the end of the Project and saw adequate funding to complete the Project had not been authorized. Staff has estimated the additional funding necessary to complete the Project is \$538,250. This will bring the total Project cost to \$1,835,450, well below the original \$1,995,600 estimate.

Staff recommends the Board Authorize an additional \$538,250 for completion of the Hickory Hill Booster Station Project.

There being no questions from the Board, Mr. Egeli moved, seconded by Mr. Shull to approve an additional \$538,250 for completion of the Hickory Hill Booster Station Project.

Vote was as follows:

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

Motion approved.

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

Mr. Gordon moved, seconded by Mr. Shull 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, 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, 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, Egeli, Shull and Simmons.

Mr. Egeli moved, seconded by Mr. Shull for the Board to approve a resolution authorizing Mr. Gordon, on behalf of Augusta Water, to bid at the foreclosure sale on property identified as Tax Map numbers 26-94, 26-94A, 27-2, 27-2B, and 27-8, scheduled for Tuesday, April 21, 2026.

Vote was as follows:

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

Motion approved.

The Board directed Mr. Martin to prepare the aforementioned resolution.

BOARD COMMENTS

There were no comments by the Board members.

ADJOURNMENT

There being no further business, Mr. Shull moved, seconded by Mr. Gordon to adjourn the meeting at 3:17 p.m.

Vote was as follows:

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

Motion approved.

Board Secretary

Chairman