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Augusta Water

Regular Board Meeting, Thursday, March 20, 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
Matthew Egeli, Wayne District
Michael L. Shull, Riverheads District
Phil Martin, Executive Director
Brent Canterbury, Treasurer
Jean Marshall, Board Secretary

ABSENT: Allen Dahl, Beverley Manor District
Timothy Simmons, Pastures District

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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. Shull moved, seconded by Mr. Egeli to adopt the Agenda as presented.

Vote was as follows:

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

Motion approved.

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APPROVAL OF MINUTES

Mr. Gordon moved, seconded by Mr. Almarode to approve the Minutes of the Regular Board Meeting of February 20, 2025.

Vote was as follows:

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

Motion approved.

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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 members with a letter sent to Governor Youngkin from several local governmental water and wastewater utility organizations, most of which Augusta Water is a member of. The letter requested Governor Youngkin to either amend HB 2482/SB 962 *Mandatory Apprentice Labor Hours in Capital Projects*, send it to a procurement study group, or veto it. This bill, as it is currently written, would require certain public bodies to limit competition for capital project procurements only to firms able to find and employ a sufficient number of apprentices to perform at least eight percent of the total labor hours for a project. The requested amendments or veto are intended to ensure Virginia has the benefit of open, fair competition to stretch ratepayer and taxpayer funding as far as possible for specialized drinking water, wastewater, and stormwater and flood projects.

Mr. Martin informed the Board members, upon request of the American Waterworks Association, he recently sent a letter to the Honorable Ben Cline requesting he co-sponsor and support the Water Systems PFAS Liability Protection Act. This Act will ensure financial liability for the cleanup of sites contaminated by PFAS is not passed to water utilities and their ratepayers, but rather to the polluters, such as industrial and manufacturing facilities.

Mr. Martin informed the Board members the house on Berry Farm Road, which the VFW leased from Augusta Water for several years, has been demolished. An asbestos abatement contractor removed and disposed of the asbestos. The approximate cost for the abatement was \$40,000.

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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 or comments by the Board members.

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COMMITTEE REPORTS

Legal Committee

Mr. Egeli reported the Legal Committee met on February 26, 2025 with Augusta Water Staff and Randy Perdue, Legal Counsel for Augusta Water, to discuss the Stone Valley pump station and the agreements which relate to the pump station. The meeting addressed the status of the temporary pump station at the Stone Valley subdivision. The temporary pump station has been in operation for eight years due to extensions of the original agreement. A gravity sewer line

should have been installed and the pump station taken offline several years ago. It was determined at the meeting all the agreements and extensions regarding the pump station are legal and binding. The Committee discussed the concerns expressed by the Board members at the February meeting, especially the concerns regarding the lack of a permanent generator at the pump station. The Committee did not make any specific recommendations for the Board, but suggested Staff work up a recommended timeline to have a permanent generator installed at the pump station, unless a gravity sewer line is installed allowing the temporary pump station to be taken offline.

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STONE VALLEY PUMP STATION

Mr. Martin gave the following report regarding the Stone Valley Pump Station.

In an agreement dated January 24, 2017, the Augusta County Service Authority (now Augusta Water) allowed Sunrise Investors (Sunrise) to delay bringing the existing Stone Valley Pump Station into full compliance with applicable standards. This delay was pending installation by Sunrise of a gravity sewer line to service future expansion of the subdivision. The two specific items delayed by the agreement were the installation of a permanent emergency backup generator and the addition of gravel to bring the drive to full depth. By the agreement, Sunrise was to either complete the gravity sewer line and take the pump station out of service or bring the pump station into full compliance by August 2, 2020 (delay date). In an amendment to the agreement dated September 14, 2020, the delay date was extended to April 30, 2021.

To date, Sunrise has not completed the gravity sewer line nor has it brought the pump station into compliance with standards. The pump station is still in service with Augusta Water maintaining it. Augusta Water also maintains a portable generator and has personnel available to mobilize to this pump station if a power outage occurs.

At a Legal Committee meeting of February 26, 2025, Augusta Water Counsel (Counsel) confirmed we are within our legal rights under the agreement to compel Sunrise to bring the pump station into full compliance with standards and to bring the gravel drive to full depth. Counsel also advised if Sunrise refuses to comply, Augusta Water may bring the pump station up to standards and improve the gravel drive and then issue a bill to Sunrise for those costs. The Legal Committee instructed Staff to establish a date for which the pump station must be either taken out of service or be in full compliance with standards. That deadline will be based upon a projected deadline for Sunrise to complete the gravity sewer line and for Augusta Water to accept the gravity sewer line into its system.

Historically, many heavy rain events (with associated power outages) have occurred in August and September. Tropical Storm Helene last September is just such an example. Staff has concluded August 1, 2025, should be the latest date the existing pump station is to be in full compliance with standards in lieu of Sunrise's timely completion of the gravity sewer line. Furthermore, staff has concluded that, should Sunrise refuse to be compelled as stated above, it would take approximately 30 days for Augusta Water to install a generator at the pump station and bring the drive up to standards. Considering those factors, Staff has identified the final acceptable date for Sunrise to either have the pump station taken out of service or have the pump station brought up to standards is July 1, 2025. This means Sunrise must complete

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construction of the gravity sewer line by approximately June 15, 2025, to avoid having to bring the pump station to standards.

CONCLUSION:

Counsel has confirmed most of the substantive provisions in the January 24, 2017 Agreement remain enforceable. As such, Augusta Water can compel Sunrise to comply with those terms in the Agreement. July 1, 2025 is the date identified by Staff as the deadline for Sunrise to ensure the pump station is either taken out of service or is brought up to standards. To ensure the pump station may be taken out of service in sufficient time to avoid bringing the pump station up to standards, Sunrise must complete construction of the gravity sewer line by June 15, 2025.

STAFF RECOMMENDATION:

Direct Staff to issue a notice to Sunrise, identifying July 1, 2025 as the deadline complying with the terms of the January 24, 2017 agreement or, in the alternative, June 15, 2025, as the deadline for completed construction of the gravity sewer line. Further authorize Staff, should Sunrise fail to meet the aforementioned deadline, to install a backup generator, bring the road into compliance with Augusta Water standards, and submit a bill to Sunrise for the time and materials necessary to complete this work.

Mr. Egeli stated the deadlines to have the gravity sewer line installed have been treated loosely in the past. He asked if the June 15, 2025 deadline would be enough time for Sunrise to install the gravity sewer line.

Mr. Shull asked how many feet of gravity line would need to be installed. Mr. Martin said it would take 1600 feet of 8" pipe to complete the gravity line. Mr. Shull asked how long it would take to install the gravity line. Jesse Roach, Director of Field Operations, stated it would depend on the soil and the digging conditions at the time of installation.

Mr. Egeli stated while there is great concern if power would be interrupted to the pump station in the event of a potential catastrophe, at the same time it is important to be fair and accommodating, to a degree.

Mr. Shull asked how many houses the current pump station serves. Mr. Martin stated there are 50-60 houses currently being served. Mr. Shull expressed concern for these homes should there be a sewer backup if power would be interrupted at the pump station. Mr. Martin reminded the Board a letter was sent to Sunrise as more houses were being added to the pump station, which stated no more meters would be set until work began on the gravity sewer line. Sunrise did begin the work for the gravity sewer line, but did not complete it.

Mr. Shull asked what the difference is in the cost of the 1600 feet of pipe, versus the cost of a permanent generator. Mr. Martin stated the cost of a generator would be approximately \$50,000 and the pipe would cost approximately \$240,000.

Mr. Egeli asked if the temporary pump station is taken out of service, would Sunrise be able to use the lot the pump station is on to build houses. Mr. Martin stated the property the pump station is on is in Augusta Water's name. By the original agreement, once the pump station is

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taken out of service and the gravity line installed, the property will be deeded to the developer, at which time the developer may build houses on it. There are many advantages to the developer completing the gravity line, especially to serve future development.

Mr. Egeli stated the present situation is not acceptable. If work does not commence on the gravity line soon, then Augusta Water will need to install an onsite generator, or be in breach of its duty to the Augusta Water customers being served by the current pump station.

Mr. Egeli moved, seconded by Mr. Almarode, in conformity with Staff recommendation, the Board authorizes Staff to issue an official notice to Sunrise identifying July 1, 2025 as the deadline to comply with the terms of the January 24, 2017 agreement, or in the alternative, June 15, 2025, as the deadline for completing construction of the gravity sewer line. The Board further authorizes Staff, should Sunrise fail to meet the aforementioned deadline, to install a backup generator, bring the road into compliance with Augusta Water standards, and submit a bill to Sunrise for the time and materials necessary to complete this work.

Vote was as follows:

Yeas:	Middleton, Gordon, Almarode, Egeli, and Shull
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. Egeli to adjourn the meeting at 2:02 p.m.

Vote was as follows:

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

Motion approved.

Board Secretary

Chairman