

At the Public Hearing and Annual meeting of the Nelson County Service Authority held on July 21, 2026 at the Nelson County Service Authority, Administrative Building thereof:

Present: Justin Shimp, Chairman
Sergio Sanchez, Vice-Chairman
Robert McSwain
Ernie Reed
David S. Hight
George Miller, Executive Director
Jennifer Fitzgerald, Secretary/Treasurer
Michael Derdeyn, Attorney

AGENDA ITEM 1. ORGANIZATONAL MATTER

On a motion duly made by Mr. Hight, seconded by Mr. Sanchez, with Mr. Hight voting yes, Mr. Reed voting no, Mr. McSwain voting yes, Mr. Sanchez voting yes and Mr. Shimp voting yes the following was resolved:

BE IT RESOLVED, That the Nelson County Service Authority Board of Directors does hereby appoint Mr. Justin Shimp, Chairman; Mr. Ernie Reed, Vice-Chairman, Mrs. Jennifer Tyree Fitzgerald, Secretary/Treasurer and set the board meetings to begin at 9am on the 3rd Tuesday of every month at the Nelson County Service Authority Building-basement at 620 Cooperative Way, Arrington, Va 22922 for FY 26-27.

AGENDA ITEM 2. PUBLIC HEARING-WATER AND SEWER OVERAGE RATE

Mr. Shimp opened the public hearing.

Mrs. Fitzgerald provided an overview of the proposed water and sewer overage rate.

Mr. Shimp called on public that signed up to speak at the public hearing.

Ms. Judy Petsch - 338 Brownings Cove Rd, Shipman stated she had one question. What does unmetered residential customers will be charges 4,000 gallons per month mean? Mrs. Fitzgerald explained that we have sewer only customers in our systems that don't have meters. Ms. Petsch - So unmetered doesn't mean that you are going to reach out to people that are not currently using your service. Mrs. Fitzgerald-No, the only time we would provide water and sewer coverage is if a customer is within our required mandatory connection area of 300 feet from the water or sewer main and should their well go dry or they request to connect to the public water or

sewer and their dwelling is within 300 feet of our water or sewer main, they have the option to do that. Ms. Petsch- So I am on my well and septic in Shipman, am I in your range? Mrs. Fitzgerald – I don't know your address. Mr. Shimp – This rate increase does not affect anyone not currently on the service authority system.

Ms. Catherine Hughes, 338 Brownings Cove Rd, Shipman – I basically had the same question.

Mr. Gary Scott-1200 Findlay Mountain Rd, Shipman - stated he signed up, but did not intend to talk.

Ms. Abby Rice – 4242 Davis Creek Lane, Lovington, stated that she came representing a couple of businesses in Lovington. She is part owner of the Village Antiques and Café and a member of the Heart of Nelson. In working in both of those businesses over the past couple of years they have had problems with their sewer line backing up and I know a lot of it or some of it is the responsibility of the owner of the building. However, I think that it's probably complicated by the fact that the sewer line hasn't been upgraded throughout Lovington. A couple of years ago I attended a ceremony where the County or the water authority was awarded some funding for Lovington and I was wondering, number one where that stands. Do we still have that funding. Number two is here a schedule to get Lovington done with the sewer and water problems. I know several of the residents in Lovington that we encounter in our business say they have a lot of problems with their water and their sewer in their homes. Mrs. Fitzgerald responded. She stated that Rural Development is the funding agency for that project and asked that we do that presentation. Since then, the cost of everything has gone up. The Preliminary Engineering Report has been reevaluated to give an updated cost analysis and additional manhole replacement work is needed. The project went from originally being a \$2 million project to being a \$4 million project and right now we have submitted all funding information to Rural Development. We are waiting to hear back from the national office about whether they will be able to provide us with the same rate of grant funds that they were providing in the original proposal. I have sent multiple emails, so has the engineering firm and I'm not sure what the holdup is.

Ms. Patty Avalon -Lovington, is the USDA grant the only one we have to start working on the sewer system in Lovington? Does this county have any more money to go towards Lovington besides that grant? Mrs. Fitzgerald stated Rural Development is the primary funding agency and the amount of the project is \$4 million. Mr. Shimp stated the county has already agreed to fund the non-grant portion of the project. He stated it wouldn't hurt for members of the public to reach out to Rural Development, state and federal representatives and elected officials about this project. Questions about the process after receiving approval.

Mr. Alfonso Taylor – Montreal Village area of Shipman. A couple things I got this notice kind of late for one, so I wasn't familiar with what exactly was going on with it. I was told to come and check on it. There is a minimum amount and an overage amount. Mrs. Fitzgerald pointed out a copy of the

public hearing notice with the proposed rate increase information on the table and explained the rate structure of 0-4000 gallons the base charges are not changing. The public hearing is for the overage fee for usage over 4,000 gallons. Currently, the overage rates are \$12.00 per 1000 for water and \$11.30 per 1000 for sewer. The proposed overage rates are \$15.60 per 1000 gallons for water and \$14.70 per 1000 gallons for sewer. Mr. Taylor said he understood that. He said the other question that he had was about the minimum billing and the usage. He said that if one never reaches that minimum that cost is consistent, isn't it? It's the same cost. Mrs. Fitzgerald responded, that is correct the same minimum cost for usage of 0-4000 gallons. Mr. Taylor, but essentially if I'm using less than my neighbor I will still be charged the same amount. Mrs. Fitzgerald stated each residence has its own meter, so your meter is based off of your usage. Mr. Shimp stated you are correct in a sense that if you use 2000 gallons of water and the neighbor uses 3000 you are billed the same. Mr. Taylor said that's my question. Mr. Taylor stated he doesn't get the Nelson County Times, he doesn't see it but I do get my water bill and I see it and don't recall seeing anything in it.

Mr. Roy Boone, Shipman I understand this is not going to affect us if we are not on the meter correct? How can I find out if I am going to fall into the boundaries of having to take on your service. Mr. Shimp stated if you are in Shipman there is a 300 feet mandatory rule, so essentially if your structure is within 300 feet of our utility if your well ever failed then you are required to connect per the County ordinance. Mr. Boone, how can I find out if I am within 300 feet. Mrs. Fitzgerald asked where he lived? Mr. Boone, on Laurel Road. Mrs. Fitzgerald if you are beyond the tracks and Powell Lane our system does not go that far. Mr. Boone that is all I need to know.

Mr. Frank Deshawn Clark- issued written
public comment (included)

Mr. Stephen Bayne- issued written public
comment (included)

On a motion duly made by Mr. Reed,
seconded by Mr. McSwain, with Mr. Hight voting yes, Mr. Reed voting yes, Mr.
McSwain voting yes, Mr. Sanchez voting yes and Mr. Shimp voting yes, the following
was resolved:

BE IT RESOLVED, That the Nelson
County Service Authority Board of Directors does hereby approve the proposed budget
and water and sewer overage rate for FY 26-27.

AGENDA ITEM 3. APPROVAL OF MINUTES

On a motion duly made by Mr. Hight,
seconded by Mr. McSwain, with Mr. Hight voting yes, Mr. Reed voting yes, Mr.

McSwain voting yes, Mr. Sanchez abstaining and Mr. Shimp voting yes, the following was resolved:

BE IT RESOLVED, That the Nelson County Service Authority Board of Directors does hereby approve the minutes of the June 11, 2026 Public Hearing and regular meeting and the continued meeting from June 11, 2026 held on June 30, 2026.

AGENDA ITEM 4. ASSISTANT EXECUTIVE DIRECTOR'S REPORT

Mrs. Fitzgerald presented the Treasurer's Report for June 2026.

Mrs. Fitzgerald stated the Black Creek Water withdrawal permit has been submitted to DEQ for approval. This permit is renewed every 15 years.

Mrs. Fitzgerald stated the Schuyler STP permit renewal application has been submitted. This permit is renewed every 5 years.

Mrs. Fitzgerald stated no updates are available on the Lovington sewer project.

AGENDA ITEM 5. EXECUTIVE DIRECTOR'S REPORT

Mr. Miller reported on July 7th, he participated in a teams meeting with SEH and IWS to discuss mobile units and membrane replacements. On July 20th, during a site visit with the IWS representative he inspected the existing plant for compatibility. He will verify his finding with his engineers and get back to us as soon as the information becomes available. He seemed positive about a membrane replacement and it being successful.

AGENDA ITEM 6. DIRECTOR'S COMMENTS

Mr. McSwain stated that public hearing notices need to be on our website. Mrs. Fitzgerald stated the public hearing notice is on our website.

Mr. Shimp stated in the future if there is a public hearing needed for a rate increase that the meeting be moved to the evening and a notice go out along with the billing statement the month before.

AGENDA ITEM 7. PUBLIC COMMENTS

Unidentified person-asked you going to post those financials on the website? Mr. Shimp ask to clarify that the information requested is the debt information that is displayed on a dry erase board at the meeting. After clarifying, he directed that the debt service information be provided on our website.

Ms. Candy McGarry said she felt that any publicly appointed board that has public meeting should have their agendas and their packets of information posted prior to the regular meetings. All public boards and bodies should do this to provide public transparency.

Mr. Sanchez asked how soon the County posts their agenda and board packet before their meeting.

Ms. McGarry stated that information is posted the Friday before the Tuesday meeting.

AGENDA ITEM 8. CLOSED SESSION

On a motion duly made by Mr. McSwain, seconded by Mr. Reed, with Mr. Hight voting yes, Mr. Reed voting yes, Mr. McSwain voting yes, Mr. Sanchez voting yes and Mr. Shimp voting yes, the following was resolved:

BE IT RESOLVED, That the Nelson County Service Authority Board of Directors does hereby enter closed session in reference to Code of Virginia §2.2-3711 (A)(1), personnel matter and Code of Virginia §2.2-3711 (A) (7), consultation with legal counsel about probable future litigation.

On a motion duly made by Mr. McSwain, seconded by Mr. Hight, with Mr. Hight voting yes, Mr. Reed voting yes, Mr. McSwain voting yes, Mr. Sanchez voting yes and Mr. Shimp voting yes, the following was resolved:

BE IT RESOLVED, That the Nelson County Service Authority Board of Directors does hereby enter into regular session.

On a motion duly made by Mr. Hight, seconded by Mr. Sanchez, with Mr. Hight voting yes, Mr. Reed voting yes, Mr. McSwain voting yes, Mr. Sanchez voting yes and Mr. Shimp voting yes, the following was resolved:

BE IT RESOLVED, That the Nelson County Service Authority Board of Directors does hereby authorize Mr. Miller to obtain the information needed from IWS to file the confirmation as it meets SCAP requirements

outlined by DEQ. Mr. Miller will get that worked out with DEQ and request that IWS provide the mobile units as a backup in the event their installation is not working as promised.

AGENDA ITEM 9. ADJOURNMENT

On a motion duly made by Mr. Hight, seconded by Mr. Sanchez, with Mr. Hight voting yes, Mr. Reed voting yes, Mr. McSwain voting yes, Mr. Sanchez voting yes and Mr. Shimp voting yes the following was resolved:

BE IT RESOLVED, That the Nelson County Service Authority Board of Directors does hereby adjourn this meeting until August 18, 2026.

Prepared by: Dr. Steve Hight

Jennifer Fitzgerald

From: DeShawn Clark <deshawnclark116@gmail.com>
Sent: Monday, July 20, 2026 5:07 PM
To: Jennifer Fitzgerald
Subject: Written Public Comment — July 21, 2026 NCSA Budget and Rate Hearing

Good evening,

I am unable to attend the July 21 public hearing in person. Please accept this email as my written public comment, distribute it to every NCSA board member before the hearing, and preserve it with the hearing record.

NCSA is proposing to raise the water usage rate from \$12.00 to \$15.60 per 1,000 gallons and the sewer usage rate from \$11.30 to \$14.70 per 1,000 gallons. Both increases are approximately 30%.

Virginia law requires water and sewer rates to be fair and reasonable and sufficient to cover expenses properly attributable to the services provided. Before approving such a substantial increase, the board should publicly provide customers with the financial basis for it.

Please answer the following questions before any vote:

1. What specific costs require a 30% increase? Please identify the amounts attributable to ordinary operations, employee compensation, debt service, reserves, Lovingston, Schuyler, Wintergreen, regulatory compliance, engineering, legal costs, and other major expenses.
2. How much additional revenue will these increases generate annually? Customers should be shown the calculation and the assumptions used.
3. How were these particular rates selected? Was an independent rate study completed? If so, please release it. If not, what analysis supports the proposed amounts?
4. Will customers in other NCSA systems help pay Wintergreen-related costs? Please identify how Wintergreen overflows, corrective work, DEQ enforcement, engineering expenses, pump-and-haul operations, and proposed improvements are allocated among customer classes and service areas.
5. What portion of the increase is connected to debt? Please provide NCSA's current debt schedule, annual principal and interest payments, required coverage ratios, and any lender requirements affecting the proposed rates.

6. What alternatives were considered? Did the board evaluate a smaller phased increase, use of reserves, project-specific charges, restructuring debt, delaying nonessential spending, reducing administrative costs, or seeking additional grants?
7. What will the practical effect be on household bills? Please provide examples for customers using 4,000, 6,000, 8,000, and 10,000 gallons per month, including all minimum, base, usage, and other charges.
8. Why does the notice identify this as the proposed "FY 2026" budget when the hearing is being held in July 2026? Please clarify the exact fiscal period covered and whether the notice contains an error.
9. When would the new rates take effect? Will customers receive advance written notice before the first affected billing cycle?
10. Will the complete proposed budget, rate calculations, supporting financial statements, and preliminary rate schedule be made publicly available before the board votes?

Customers should not be asked to accept an approximately 30% increase based only on a one-page notice showing the new numbers. The public deserves to see what created the need, where the additional money will go, which systems are responsible for which costs, and what alternatives were considered.

I ask the board not to adopt the proposed rates until those supporting records and explanations have been made available to the public.

Please confirm receipt of this comment and whether it was distributed to every board member before the hearing.

Thank you,

Frank DeShawn Clark

Jennifer Fitzgerald

From: Stephen Bayne <smbayne@verizon.net>
Sent: Monday, July 20, 2026 5:46 PM
To: Jennifer Fitzgerald; George Miller
Subject: PUBLIC HEARING ON PROPOSED BUDGET AND RATE CHANGES FOR FY27

Ms. Fitzgerald, please read the following statement during the Nelson County Service Authority Public Hearing, July 21, 2026, 9:00 a.m.

Stephen Bayne
620 Far Knob Climb
Nellysford VA 22958

Nelson County Service Authority,

This is my statement for the PUBLIC HEARING ON PROPOSED BUDGET AND RATE CHANGES FOR FY27.

First, please make your Proposed Budget for FY27 transparently available for all county citizens, including anyone unable to attend the Public Hearing in person.

Second, please make your most recent financial statements, FY26 unaudited and/or FY25 audited, transparently available for all citizens.

I suggest that this information must be transparently available for all citizens, including those who wish to prepare and provide feedback for a public hearing.

A proposed 30% rate increase is inarguably an extreme increase for residents.

It is of course imperative that you provide full justification for such an extreme increase.

It is also noteworthy that this proposed rate increase of 30% is immediately on the heels of the failures at the Wintergreen waste treatment plant. Those failures are now necessitating extreme county expenditures for a short-term plan totaling \$4.1 million and a long-term plan totaling a likely equally large amount. This is for a waste treatment plant that went online less than two years ago at a cost of \$18.5 million.

Regarding the 30% rate increase, I am interested in confirming the drivers of this increase, including the costs from the failures at WWTP.

I am unfortunately unable to participate in the Public Hearing in person, and am, therefore, providing my statement in advance.

Sincerely,
Stephen Bayne
620 Far Knob Climb
Nellysford VA 22958

LEGAL MATTERS: Section §2.2-3711 (A)(7) of the State Code of Virginia

MOTION: MCSWAIN

SECOND: SANCHEZ

DATE: JULY 21, 2026

CERTIFICATION OF EXECUTIVE MEETING

WHEREAS, the Nelson County Service Authority Board of Directors has convened an executive meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of The Virginia Freedom of Information Act; and

WHEREAS, Section §2.2-3711 (A)(7) of the Code of Virginia requires a certification by the Nelson County Service Authority Board of Directors that such executive meeting was conducted in conformity with Virginia law;

Now, THEREFORE, BE IT RESOLVED that the Nelson County Service Authority Board of Directors hereby certifies that, to the best of each member's knowledge (1) only business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the executive meeting to which this certification resolution applies, and (2) only such public business matters as were identified in the motion convening the executive meeting were heard, discussed, or considered by the Nelson County Service Authority Board of Directors.

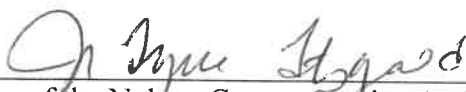
VOTE: 5

AYES: 5

NAYES: 0

ABSENT DURING VOTE: 0

ABSENT DURING MEETING: 0


Secretary of the Nelson County Service Authority Board of Directors

LEGAL MATTERS: Section §2.2-3711 (A)(1) of the State Code of Virginia

MOTION: MCSWAIN

SECOND: SANCHEZ

DATE: JULY 21, 2026

CERTIFICATION OF EXECUTIVE MEETING

WHEREAS, the Nelson County Service Authority Board of Directors has convened an executive meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of The Virginia Freedom of Information Act; and

WHEREAS, Section §2.2-3711 (A)(1) of the Code of Virginia requires a certification by the Nelson County Service Authority Board of Directors that such executive meeting was conducted in conformity with Virginia law;

Now, THEREFORE, BE IT RESOLVED that the Nelson County Service Authority Board of Directors hereby certifies that, to the best of each member's knowledge (1) only business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the executive meeting to which this certification resolution applies, and (2) only such public business matters as were identified in the motion convening the executive meeting were heard, discussed, or considered by the Nelson County Service Authority Board of Directors.

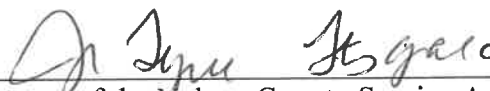
VOTE: 5

AYES: 5

NAYES: 0

ABSENT DURING VOTE: 0

ABSENT DURING MEETING: 0


Secretary of the Nelson County Service Authority Board of Directors