

To: Board of Supervisors
From: C. McGarry
Re: County Administrator's Report for May 13, 2025 Board Meeting

- A. **DSS Building Project:** See Agenda Item VII. C
- B. **High School Renovation Project Financing:** See Agenda Item VII. D
- C. **FY26 Budget:** See Agenda Item Evening Session III. A

D. Larkin Phase 1 Well Evaluation & Dillard Creek Flow Evaluation:

1. **Well Evaluation Task Order 4:** Resistivity testing is pending a 2-3 week lead time from scheduling the use of the equipment, with the field work estimated to take 3-4 days. This is tentatively scheduled for the week of May 26th pending confirmation of the equipment availability. Staff is working with the School Division on accessing our property for this through the already logged portion of the adjacent school property.
2. **Dillard Creek Flow Evaluation Task Order 5:**
 - a. Identification of USGS gauges in the project area: The research identified three (3) USGS gages in the general area of the Larkin property. They evaluated the gages to determine which one was the most appropriate for use in the estimation of flows for Dillard Creek since the creek does not have its own flow gage. A gage on the Tye River was identified as the most appropriate gage to use.
 - b. Flow data review and calculations: The data from the Tye River gage was downloaded and is being reviewed and evaluated from multiple perspectives including overall average, monthly averages, and low flow periods. This data from this reference gage was extrapolated to provide data for the location of a water intake on Dillard Creek and using the drainage area comparison approach frequently used by Virginia regulatory agencies.
 - c. Endangered and threatened species review: The Virginia Department of Wildlife Resource's (DWR) Virginia Fish and Wildlife Information Service (VaFWIS) and the U.S. Fish and Wildlife Service (USFWS)'s Information for Planning and Consultation (IPaC) databases were reviewed to determine if there is the potential for any endangered and threatened (E&T) species impacts that could impact the permitting and/or complicate the location of the intake in the selected waterbody or the volume and rate of withdrawals.

The methodology and results will be summarized in a memo along with the other items included in their scope, including the potential permit requirements and assumptions/limitations and estimated engineering and permitting costs associated with a creek withdrawal system.

- E. **Piney River Phase II Pump Station:** The pump station is now functioning with both motors installed, however; one of the VFDs on one of the pumps is not working correctly; with the VFD fix pending. If we have an emergency, this pump will run bypassing the VFD. An onsite meeting is in the process of being lined up for this week with CHA, Jeff Brantley, Commonwealth Engineering, the supplier of the replacement pump station, Smith and Lovelace, the replacement pump station manufacturer, and NCSA staff to review the site and the new pump station specifications so that the
- F. **NCSA Meeting:** County and NCSA staff met to discuss the Piney River Phase II system, inclusive of the Phase II pump station replacement plans and plans for moving towards the Service Authority's ownership of the system. This included some preliminary discussion of potential future rate adjustments; which County staff is working on for presentation to the Board at the June regular Board meeting. NCSA is holding a public hearing at 8:30 am on May 15th on a proposed 15% base sewer service rate increase for all of their systems (\$69.70 to \$80.15) that would be effective July 1, 2025. As NCSA makes periodic rate adjustments, equalizing the County's rates with those of NCSA will continue to be a moving target. There are other service differences to be worked through which would affect our current customer base financially and it will be prudent to provide exceptional public engagement along this path. We discussed establishing a working group including County and NCSA staff and willing Board members (2/Board) to devise a workable action plan to transition the system ownership. Attached is a letter from the former County Administrator to NCSA dated September 17, 2019 and NCSA's response dated November 7, 2019, which serves as a basis for current discussions. Board feedback on the workgroup concept is requested.

- G. Wild Rose Solar Project Update:** Savion is expecting to enter into the Interconnection Agreement with PJM this fall. PJM is the regional transmission organization that serves 14 states and D.C. including VA and they will be submitting their CPCN (Certificate of Public Convenience and Necessity) with the SCC for the utility line road crossings in the next couple of months. A notice of intent to file the CPCN is required 90 days before formal submittal. Savion will be hosting another open house in August/September after the 90-day notice of intent period. They will also be submitting their notice of intent to seek a Permit by Rule (PBR) from DEQ, which requires that they hold a public meeting in the County and there will be a 30-day public review and comment period after submittal and before authorization. They will be checking “yes” for project is located on a “Brownfield” and determining if the site qualifies based on the sites history of iron/hematite mining in the late 1800s at the north end of Route 60. Ms. Johnson also stated that the total disturbed area is increasing to 650 acres including the roads and substation with no change to the area under panels at 550ish acres. Staff will update the Board and public as public comment periods are established. Relevant Code and DEQ links: [Virginia Administrative Code - Title 9. Environment - Agency 15. Department of Environmental Quality - Chapter 60. Small Renewable Energy Projects \(Solar\) Permit by Rule, § 10.1-1197.6. Permit by rule for small renewable energy projects](#), and [Solar | Virginia DEQ](#).
- H. Region 2000 Services Authority:** A public hearing on proposed tipping fee rates of \$35.44/T – Member Rate Disposal and \$45.44/T – Market Rate Disposal will be held at the regular June 25, 2025 Authority meeting. These rates have been \$30.25/T and \$40.25/T respectively since FY18. The FY26 budget proposal is based upon the proposed rates and Member tonnage of 71,265 T and Market Rate tonnage of 125,038 T for a total of 196,303 T and budget of \$8,207,358. Nelson’s FY26 projected tonnage is 10,243 T which translates to a cost of \$363,012 based on \$35.44/T; which is right at the amount budgeted of \$363,000. The Authority’s proposed budget includes funding for the first year of an employee retention/compensation study (\$467,995) aimed at retaining employees through expected closure in January 2029 and a few employees remaining for several months beyond. This option is approximately 4 times less expensive than privatizing operations if not enough employees remain in place to operate through closure. The Authority will have a continued meeting on May 28th to review the employee retention/compensation study for decision as to what level it will be included in ensuing budgets. The budget also accounts for the Authority’s vote to transfer all monies held in reserve related to Excess Revenue and the Financial Policy to closure/post-closure reserves; approximately \$4.8 Million and \$4.2 Million respectively.
- I. Regional Jail Renovation & Expansion Project:** Six Construction contractors were pre-qualified to bid on the project, with bids due May 30th at 2pm and opened at 2:15 pm. ACRJ staff and Financial Advisors – Davenport will be reporting to each of the Member Jurisdictions in June and at Nelson on June 10th. The plan of Finance will be reviewed and the Board will be asked to take approval action on the ACRJ financing of VRA Bonds, a Grant Anticipation Note, and respective Financial Support Agreements. Construction is expected to begin on September 15, 2025. In March, the County’s jail utilization was 1,310 bed days and we had an average daily population of 43. The County’s website has a link to the project at: [RENOVATION PROJECT | acrj](#)
- **Rockfish Re-Use Shed Issues:** A week and a half ago, I advised the Board that there are people verbally cussing and fighting over the shed contents, people hanging out in the shed for hours or hanging around the site to take items from people before they even get it into the shed, people leaving bags of things that contain dirty diapers, needles, and other unsavory items which is incredibly unsafe for the public and our staff. The Rockfish site is very busy and the attendants may not have time to tend to the shed and its issues. As first steps, we issued a warning letter to a known person that required their poor behavior to stop or they would be banned from the re-use sheds and issued a no-trespass notice. We also stationed a re-use shed attendant at the site to specifically and only monitor activity at the re-use shed and attempt to educate patrons on the rules while interacting with them. This person’s first shift was last Friday-Sunday; no issues were reported for Friday and we will get a report on the weekend’s shifts to share.
- J. Wintergreen Fire Marshal Follow-up:** Scheduling a meeting in the next couple of months with Mr. Hux and 2 designated Board members, before bringing this back to the Board for re-consideration is pending.
- K. Meals and Lodging Tax Collection & Lodging Entity Tracking:** See Attached Charts - # of Lodging Units is 824, down from 826 in the previous report. Glen Yi (GIS Specialist) has plotted the registered STRs in the County and developed an interactive map, this shows 821 STRs with 489 Wintergreen Rental Units and 332 in other parts of the County. (See attached Map as of March/April)
- L. Staff Reports:** Department and office reports for April/May have been provided.

**BOARD OF SUPERVISORS**

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Administrative Assistant/
Deputy Clerk

CANDICE W. MCGARRY
Director of Finance and
Human Resources

17 September, 2019

**Mr. George Miller, Executive Director
Nelson County Service Authority
P. O. Box 249
Lovingston, VA 22949**

Re: Piney River Water and Sewer System

Dear Mr. Miller:

The Nelson County Board of Supervisors at their meeting on September 10, 2019 agreed by unanimous consensus to provide notice to the Nelson County Service Authority (the Authority) of the Board's position to transfer ownership of the Piney River Water and Sewer System to the Authority, inclusive of all responsibilities pertinent thereto.

The Board's position is pursuant to Nelson County's retirement in July, 2019 of the outstanding debt obligation with USDA-RUS/RD, which was previously incurred to complete the construction of Phase 3 of the Piney River System and which results in the system being entirely debt free.

Justification for the transfer of the Piney River System to the Authority includes but is not limited to:

1. The purpose of the Authority, as set out in Section 12.26 of the Code of the County of Nelson, is the overall responsibility, including ownership, for public water and sewer systems in the County.
2. The retirement of the obligation with USDA-RUS/RD results in the Piney River System being debt free, an annual cost savings of \$63,072.00.
3. The Authority's ownership and operation is likely to result in additional cost efficiencies that in combination with the annual debt savings will result in the system not only being self-supporting but also able to provide for system reserves.
4. The County will complete, including funding, the current project to install an inline Granular Activated Carbon (GAC) system to address compliance with water system licensing requirements.
5. The Authority is and has been for many years the operator of the Piney River Water and Sewer System, including providing water and sewer services to the Piney River System from the Authority's water and sewer facilities (i.e. the Piney River System has no water resources or wastewater treatment facility other than NCSA's).

6. The Piney River System is directly connected to the Authority's water and sewer facilities located off Route 56 in the Colleen area of the County.

7. The County does not have licensed operators for either water or sewer treatment facilities.

Please present this communication to the Authority's Board of Directors for consideration at the Authority Board's ensuing regular session. County staff are also available to work with Authority staff pertinent to the subject of this correspondence.

Respectfully,



Stephen A. Carter
County Administrator

Cc: Board of Supervisors
County Attorney
Director of Finance and HR

Executive Director:
George T. Miller, Jr.



Board Members:
David Hight, Chairman
Gary L. Sherwood, Vice-Chairman
Ernie Reed
Jesse Rutherford
Justin Shimp

Nelson County Service Authority

November 7, 2019

Mr. Steve Carter, County Administrator
County of Nelson
P. O. Box 336
Lovingsston, VA 22949

RE: Piney River Water and Sewer System

Dear Mr. Carter:

The Nelson County Service Authority Board of Directors at their meeting on October 17, 2019 acknowledged by unanimous consensus they are in receipt of your letter dated September 17, 2019. Our Board feels there are several issues that need to be addressed prior to negotiating a transfer of ownership of the Piney River water and sewer system.

While retirement of the Debt for the Piney River water and sewer system is commendable, it doesn't remedy all the differences between our two systems. There are several items we have discussed over the years that have not been addressed.

Our biggest concern is that of the difference in water, sewer and grinder pump rates. We discussed back in October 2012 that the County of Nelson would gradually raise the rates over 5 years to get the Piney River rates to what the Service Authority rates were. To our knowledge, the rates were only raised once and that was in 2013. Each year according to your expense spreadsheet, the County supplemented the Piney River system with a transfer from the general fund to make that system cash flow. You imply that without the Debt payment and reserve the system should support itself.

The Granular Activated Carbon (GAC) pilot study currently being conducted at the Black Creek Water Treatment Plant is due to HAA5 exceedances in the Piney River system. The same water source feeds the Colleen, Lovingsston and Shipman systems without compliance issues. The water compliance problem is due to 30+ day old water in the 12" water line serving the 100 households in Piney River. With that being said, the GAC system will not benefit the Service Authority, because we don't have a compliance issue. The results of the GAC treated water into the Potable water supplying Piney River should be monitored for a period of at least one year to make sure the system is in compliance. Should the HAA5 problem be resolved, it will not elevate the 1,000,000+ gallons flushed annually into a pumping station due to aged water.

I have attached a list of the issues that are apparent to us at this time that need to be resolved. At this time our Board of Directors is not prepared to make a decision on the request to transfer ownership.

Mailing Address: P O Box 249, Lovingsston, VA 22949*Phone (434) 263-5341**Toll-free (888) 263-5341*
Shipping Address: 620 Cooperative Way, Arrington, VA 22922 **Fax (434) 263-8589*

Please do not hesitate to contact me, should you have any questions. I will have the original mailed to you today.

Sincerely,

A handwritten signature in blue ink, appearing to read "George T. Miller, Jr.", written in a cursive style.

George T. Miller, Jr.
Executive Director

The County provides many services to the Piney River customers at no charge to the customer while the Service Authority does not provide any free services.

The County Administrator suggest for the Service Authority to gradually increase the water and sewer rate over the next 5 years or longer in order to match the Service Authority's current rate. Ten years ago the County said they would begin to gradually increase the Piney River water and sewer rates to eventually match the Service Authority's rate for a smoother exchange of ownership, that never happened. From 2008 through 2012 the initial rate remained in place. Only one rate increase occurred. In 2013 the Water rate was increased from \$26.00 to \$29.90 (0.15%) ...the sewer rate was increased from \$25.74 to \$29.60 (0.15%)...and the grinder pump rate was increased from \$4.50 to \$9.00 (100%). To currently match the Service Authority's rate the Piney River water rate would need to increase by 42%, the sewer rate would need to increase by 83% and the grinder pump rate would need to increase by 180%. The 199 families that make up the Piney River customer base deserve the consideration and respect due to them. The changes in rates and the changes in services should be explained to them by the County prior to any change of ownership.

The County permits Piney River customers to disconnect from the system as well as allowing a stop-to-billing due to temporary vacancy up to 12 months. The Pledge of Revenue is essential for the Service Authority's existing debt of \$6,800,000 and future projects of \$24,000,00 not to mention the daily operational expenses. Service Authority customers are not permitted to disconnect or stop paying their bills.

The County sent a letter dated September 17th 2019 to the Service Authority. In this letter item no.3 reads " The Authority's ownership and operation IS LIKELY to result in additional cost efficiencies that in combination with the annual debt savings will result the system not only being SELF-SUPPORTING but also able to PROVIDE FOR SYSTEM RESERVES. First; "IS LIKELY" is a presumption not a guarantee. Second; Being able to PROVIDE FOR SYSTEM RESERVES...the Service Authority does not have individual systems with individual reserves or individual debts. If the Service Authority had individual systems the Wintergreen system would be the only system with reserves while the Gladstone, Colleen, Lovington, Schuyler and Shipman systems would be the systems with increasing debt.

Delinquent accounts in the Piney River system are +/- \$16, 176.35, with liens on sewer only customers totaling \$10,300.22. The only legal action available for a sewer only customer who does not pay their bill is to place a lien on the property, they can not be shut off. The initial bill continues, it grows each month for the same reason while the cost of treating sewage and grinder pump maintenance is paid for by the County but with Service Authority ownership of the Piney River system it would then be paid for by other customers who pay their bill.

There are approximately 9 grinder pumps that are shared by more then one house hold. Before the Service Authority accepts ownership of the Piney River system the County should accept the responsibility of providing individual sewer systems to each individual home. It is not Service Authority policy to have more then one system for one residential service. A system that shares with other residential dwellings constitutes a water or sewer main and thus becomes the responsibility of the Service Authority to operate and maintain.

The Phase II sewage pumping station has been operating in By-Pass . The Variable Frequency Drive units (VFD's) are unable to be used. The electrical panel location presents an unsafe condition. Ground water and rain water enters the building. The pipes and flanges are deteriorating. The corrosive atmosphere has also caused the malfunction of limit switches, heaters and electrical outlets. The County has purchased parts which need to be installed but the Phase II sewage pumping station problems will continue.

At this time it is anyone's guess how the Granular Activated Carbon system will perform in the reduction of TTHM's in the Piney River distribution system. As water travels through the 12" Piney River distribution system, chlorine continues

to react with Natural Organic Matter (NOM) to form Disinfection Byproducts (DPB). The longer the travel time or water age, the more likely it is the water quality will degrade and exhibit higher TTHM and HAA5 concentrations, reduce levels of chlorine, reduce effectiveness of chlorine residual through the formation of organochlorine compounds, increased microbial activity, nitrification and or create taste and odor problems. The water age at the end of the system is +/- 30 days old. A hydraulic model indicated a flushing rate of 10 Gallons Per Minute would be needed to lower the water age to 6 days old which is considered low enough to resolve the issue. For the past 2 ½ years the Service Authority has been the flushing at a rate of 2 GPM continuously. This flushing equates to 1,051,200 gallons of quality potable water annually flushed into a sewage pumping station and then sent to the Regional STP to be treated .

The flushing of the 12" Piney River distribution system will not be eliminated by the performance of the GAC system. The purpose of flushing the 12" Piney River distribution system is to reduce water age.

It is good the County paid off the debt on the Piney River system but is that reason enough for this problem system to become the responsibility of the Service Authority? The existing problems previously mentioned need to be addressed by the current owner before they become Service Authority problems.

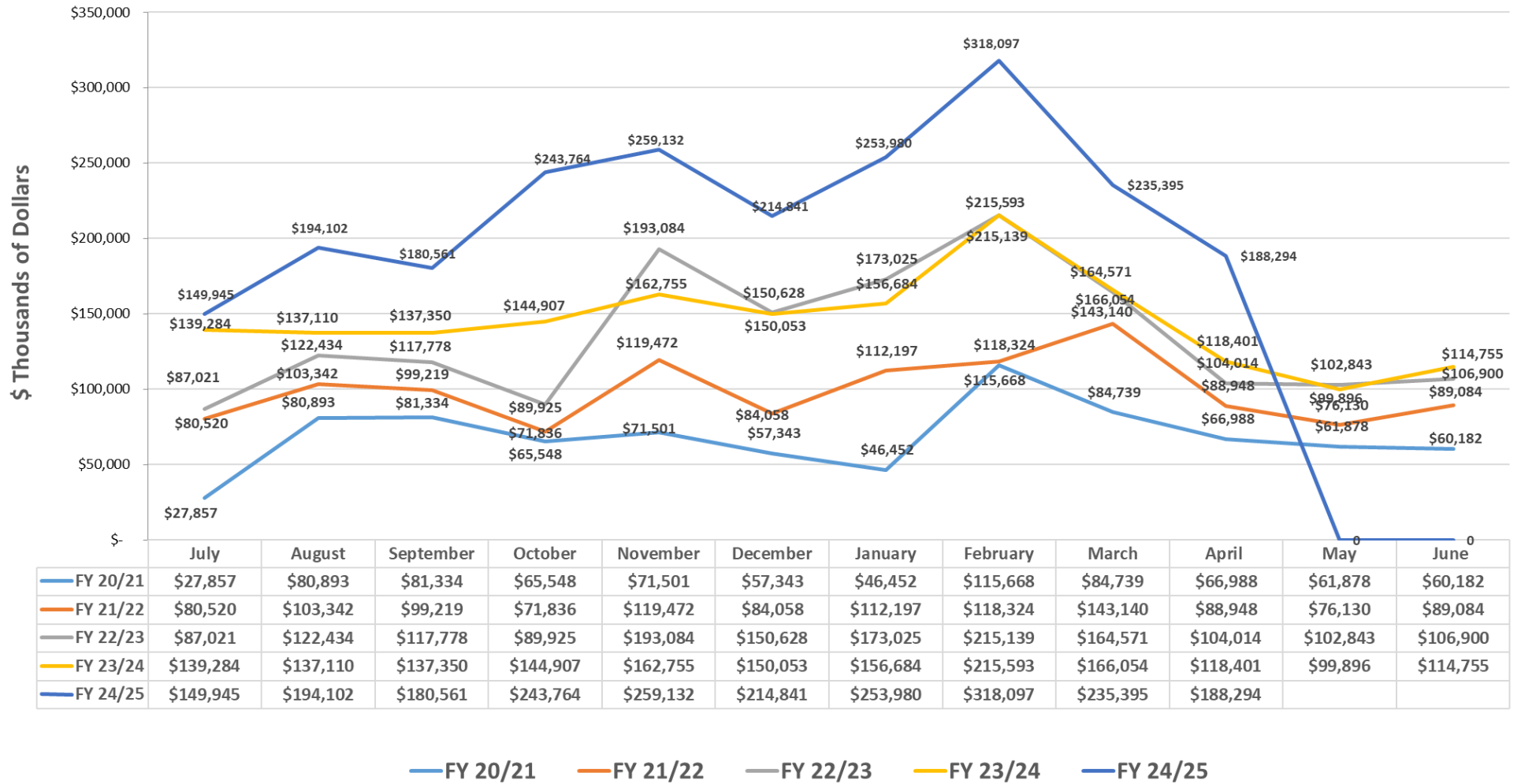
As for the water quality issues at this time they are in an experimental phase. Maybe the GAC system will work and maybe it won't work or perhaps create additional problems. Nonetheless the County should continue with the ownership of the Piney River system while these water quality problems are addressed and the experimental GAC is given the chance to perform as designed through the pilot study and one year of quarterly sampling.

April 2025 Collection – May 13, 2025 BOS Report

Transient Occupancy Tax Collection - Monthly Trend By Fiscal Year

*Amounts Shown Reflect Payments for Prior Month(s) Tax Levy

** TOT Tax Rate Changed from 5% to 7% Effective July 1, 2024

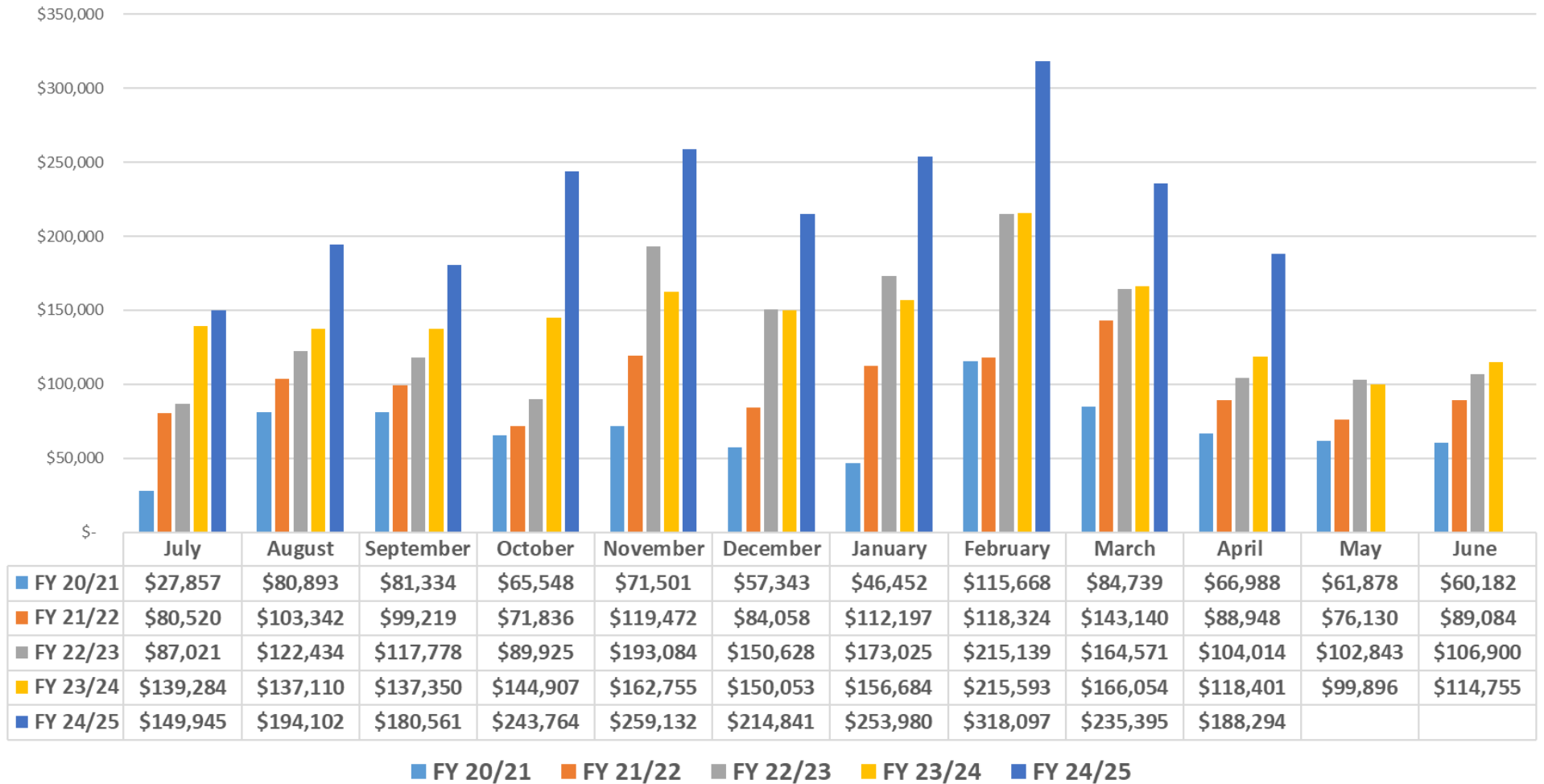


April 2025 Collection – May 13, 2025 BOS Report

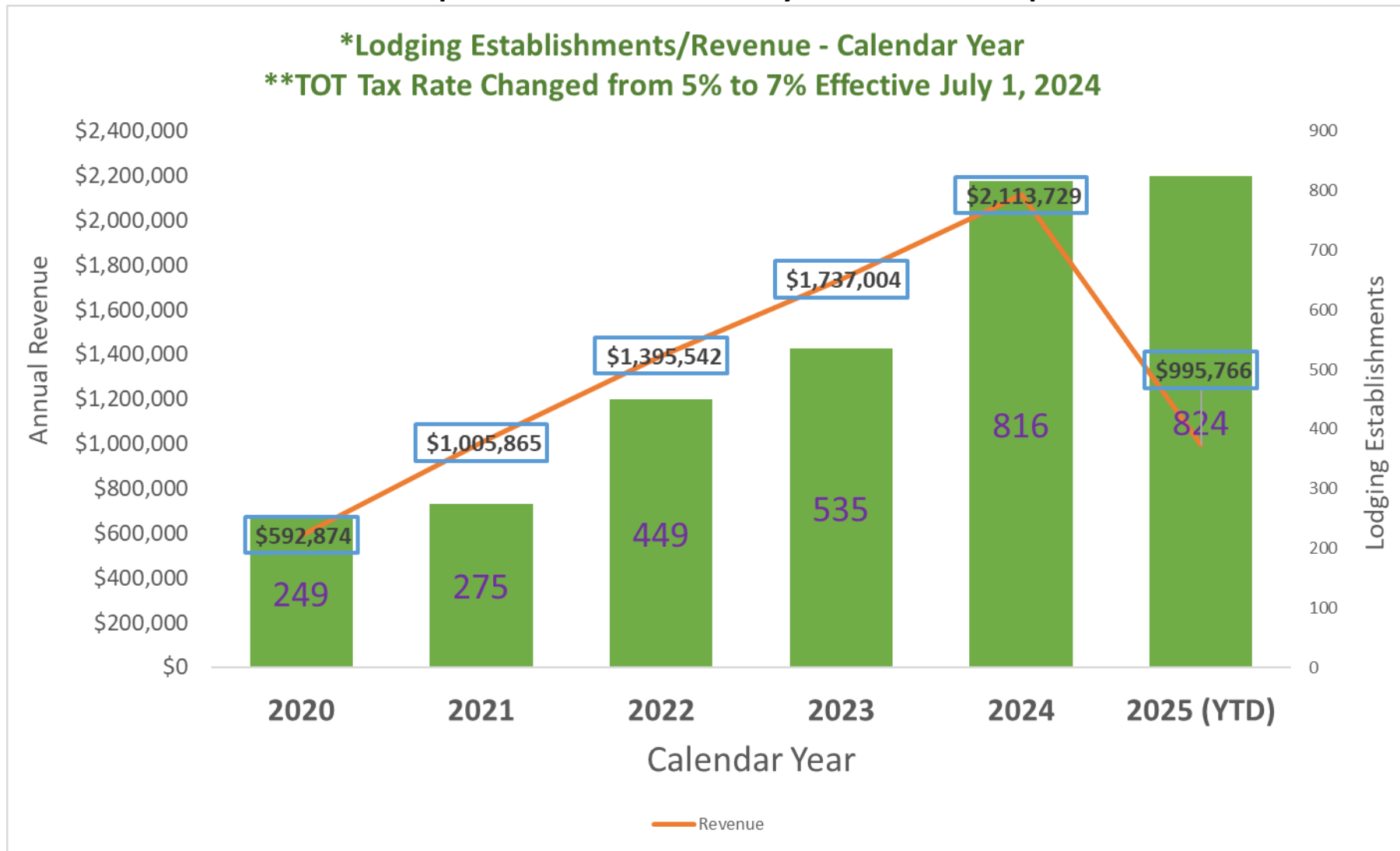
Transient Occupancy Tax Collection by Month and Fiscal Year

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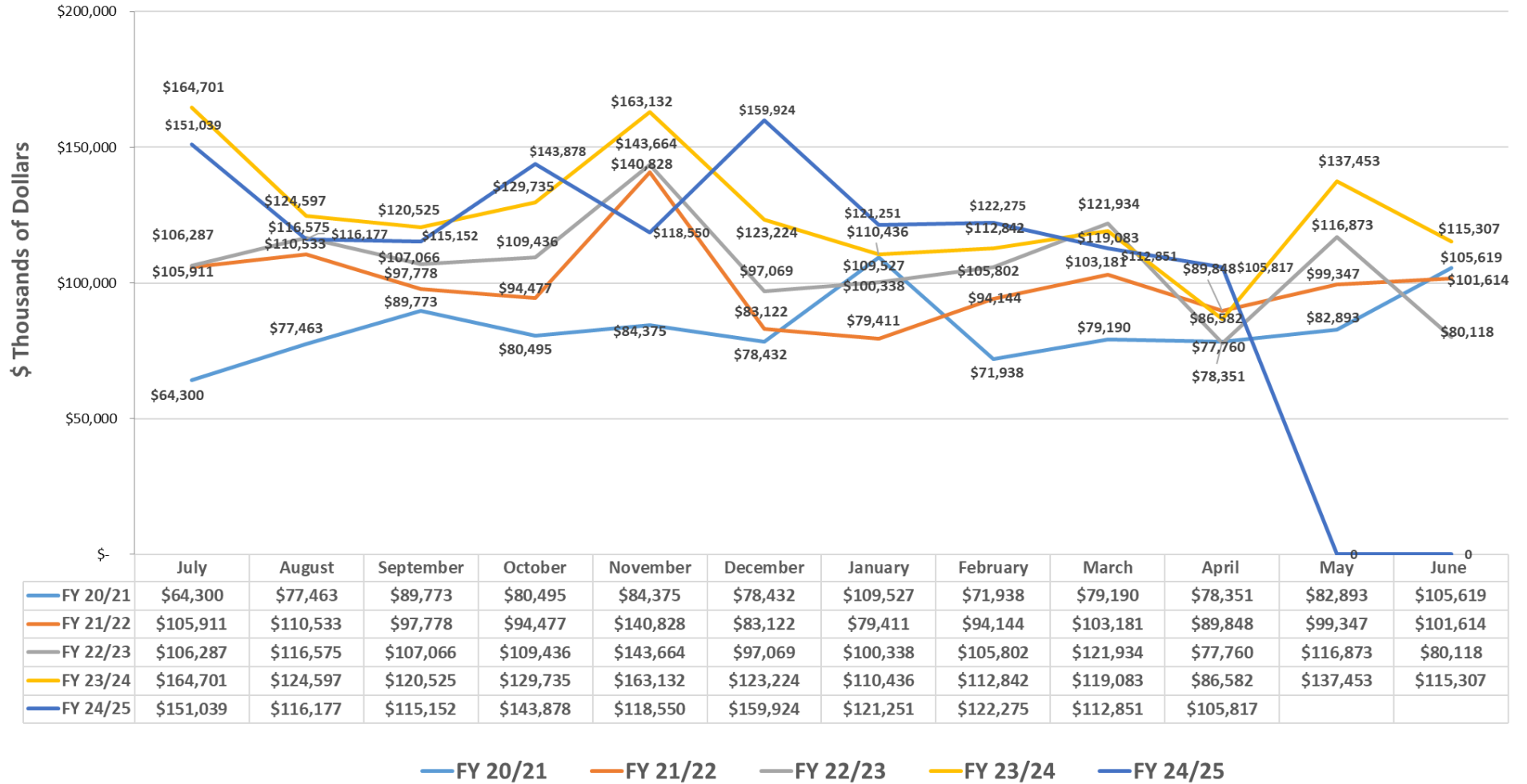


*Lodging Establishments is the number of businesses who are registered with the Commissioner of the Revenue for lodging in Nelson County. The number includes businesses who may have multiple properties who remit for all units with one payment. Some businesses remit their taxes quarterly, and due to their start date, may not be on a January-March-June-September schedule. Many businesses utilize services such as AirBnB who remit on their behalf and by State Code, these revenues are only to be disclosed in aggregate; no personal information can be shared (55.1-1209).

April 2025 Collection – May 13, 2025 BOS Report

Meals Tax Collection - Monthly Trend By Fiscal Year

*Amounts Shown Reflect Payments for Prior Month(s) Tax Levy



April 2025 Collection – May 13, 2025 BOS Report

Meals Tax Collection by Month and Fiscal Year

*Amounts Shown Reflect Payments for Prior Month(s) Tax Levy

