

Virginia:

AT A REGULAR MEETING of the Nelson County Board of Supervisors at 2:00 p.m. in the General District Courtroom located on the third floor of the Nelson County Courthouse, in Lovingson, Virginia.

Present: Ernie Q. Reed, Central District Supervisor – Chair
Dr. Jessica L. Ligon, South District Supervisor – Vice Chair
J. David Parr, West District Supervisor
Jesse N. Rutherford, East District Supervisor
Candice W. McGarry, County Administrator
Amanda B. Spivey, Administrative Assistant/Deputy Clerk
Grace E. Mawyer, Director of Finance and Human Resources
Dylan M. Bishop, Director of Planning and Zoning

Absent: Thomas D. Harvey, North District Supervisor

I. CALL TO ORDER

Mr. Reed called the meeting to order at 2:00 p.m. with four (4) Supervisors present to establish a quorum. Mr. Harvey was absent.

- A. Moment of Silence – Attendees observed a moment of silence.
- B. Pledge of Allegiance – Mr. Rutherford led the Pledge of Allegiance.

Mr. Reed said that he wanted to note that Item IV. B. Albemarle-Charlottesville Regional Jail Renovation Financing presentation had been moved to the Board’s Evening session. He also noted that under Other Business, they would have a brief discussion about space needs for County staff.

II. PUBLIC COMMENTS

Elwood Waterfield

Mr. Waterfield expressed concern that a letter in which he read from County Attorney Phillip Payne dated June 1, 2020 was a violation of his civil rights by denying him access to communications with County staff. He said that while Mr. Payne had told him he could send written correspondence to County offices, he could not do this due this due to a chronic medical condition that affected his hands. He said that Sheriff Embrey had apologized to him for laughing about abusive conditions he endured at the Albemarle Regional Jail, but he still felt that corruption was evident in this County government and that justice had not been served.

There were no others wishing to speak under Public Comments and Mr. Reed closed the Public Comment period.

III. CONSENT AGENDA

Mr. Rutherford moved to approve the Consent Agenda as presented. Mr. Parr seconded the motion. There being no further discussion, Supervisors approved the motion by roll call vote (4–0), and the following resolutions were adopted:

- A. Resolution – R2025-48 Minutes for Approval

**RESOLUTION R2025-48
NELSON COUNTY BOARD OF SUPERVISORS
APPROVAL OF MINUTES
(January 14, 2025)**

RESOLVED, by the Nelson County Board of Supervisors that the minutes of said Board meetings conducted on **January 14, 2025** be and hereby are approved and authorized for entry into the official record of the Board of Supervisors meetings.

- B. Resolution – R2025-49 FY25 Budget Amendment

RESOLUTION R2025-49
NELSON COUNTY BOARD OF SUPERVISORS
AMENDMENT OF FISCAL YEAR 2024-2025 BUDGET
July 8, 2025

I. Appropriation of Funds (General Fund)			
	<u>Amount</u>	<u>Revenue Account (-)</u>	<u>Expenditure Account (+)</u>
	\$ 3,575.00	3-100-001901-0032	4-100-031020-3038
	<u>\$ 3,575.00</u>		

IV. PRESENTATIONS

A. VDOT Report

VDOT Assistant Residency Administrator Daniel Brown said that the Route 151 slope repair was completed and they were doing some cleanup there. He said that Mill Ridge work had been completed as well. He said that the four-lane primary mowing had been completed, and secondary mowing in Nelson was underway. He said that the Falling Rock slope repair was awaiting permits, so they would be working on that shortly. He said that he would be glad to answer any specific questions from the Board about other road projects.

Supervisors then discussed the following VDOT issues:

Mr. Rutherford:

Mr. Rutherford said that he would appreciate an update on the timeline for the pipe repair near the Lovington Food Mart, Exxon and Chicken Coop. He said that additionally, on Rockfish River Road, there was a pipe that had washed out last year that was in need of replacement. Mr. Brown said that he would get an update on the pipe repair near Exxon. He said that he believed the pipe repair on Rockfish River Road was due to begin in August.

Mr. Rutherford said that he was aware there had been some discussion about doing a speed study on Route 56 near Deer Run going towards Buckingham. He asked if he could get an update on how the site visit went. Mr. Brown said that he would get updated information on that as well.

Mr. Rutherford said that there had also been some conversations with the Sheriff about reducing the speed limit in the Lovington area on Route 29, but he was unsure of the timing of that or if more studies were needed. Ms. McGarry said that she believed they were waiting for Virginia State Police to comment on that and move it up the chain from there.

Mr. Rutherford said that also, at the intersection of Route 6 West and Route 29, there was a giant pothole in the concrete portion of the Eddie Embrey bridge. Mr. Brown said that they would get someone to check that.

Dr. Ligon:

Dr. Ligon said that they had previously requested a speed study on Route 29 between Food Lion and the high school about a year and a half ago. She said that they knew the study had been completed but had not heard about the results. Mr. Brown said that he remembered that study and knew it was complete.

Mr. Parr:

Mr. Parr said that he had a constituent reach out to him about road issues near Horseshoe and Sleepy Hollow, but he could not recall the exact address. He said that there also was a section of Hideaway off of Rhue Hollow where a dip in the road keeps getting washed out. He said that there had been some patches and grading, but it was still an ongoing issue according to one of his constituents. He said that he would appreciate it if VDOT could look into those areas.

Mr. Parr asked about the ongoing mowing and what was done when advertising signs are left behind when they are no longer needed. He noted a sign in Piney River that was still up from an auction that took place in May, commenting that it was in the way of mowing, so that area was not mowed. He asked if VDOT would handle

either removing the sign or reaching out to the business owner. Mr. Brown indicated that they would look into it.

Mr. Reed:

Mr. Reed said that he wanted to thank VDOT for the great job they did of clearing and digging out part of the bank to improve the sight distance along the turn lane at Davis Creek and Route 29. He said that he also deeply appreciated the addition of the speed reduction sign on Route 6 on the west side of Adial, which had been a community request for a long time.

Dr. Ligon said that on Route 29 North between Woodland Church and the next driveway to the north, there was poor visibility around the curve. She said that in that same area, in the crossover in the middle of the highway, the signs made it difficult to see oncoming northbound traffic. Mr. Brown said that they would look to see if any adjustments could be made.

Mr. Rutherford commented that there was a major pothole near Montreal Village that should be fixed before someone lost a tire in it. Mr. Brown noted that VDOT would check on that as well.

B. Albemarle-Charlottesville Regional Jail Renovation Financing

This item was moved to the evening session of the meeting.

V. NEW & UNFINISHED BUSINESS

A. Lovington Beautification Committee Request

Gail Bastarache said that she would like to express her gratitude to the Board for the 2024 grant they received. She said that she would like to request an additional \$2,000 grant to cover expenses for 2026-2027 beautification projects. She said that they have documented all their expenses for the past 18 months, and when she spoke with the Finance person, she was advised that they needed to apply for another grant, so that was what she is doing. She said that they have enriched soil for 13 planters throughout Lovington, flowers for all the planters through three different seasons, and they had also purchased seasonal decorations that could be reused.

Ms. Bastarache said that they have also purchased greenery to embellish the bench at the town center. She said that they have received some donations from Saunders Farm Store and the Chamber of Commerce. She said that they accept donations and appreciate the support. She said that they maintain the planters themselves and have established six other planters in Lovington. She said that as their County seat, they love to keep it beautiful. She said that they have approximately \$400 in their beautification fund, and they would like to continue planting seasonal flowers and upgrade their seasonal decorations to be more aesthetically pleasing and more organic in origin, rather than plastic.

Ms. Bastarache said that she purchased some giant eggs as decorations, but because they are plastic, they are not loved by everyone. She said that they wanted to have painted wooden decorations instead. She also said that they need to seal the barrel planters to protect them from the elements and consider other areas of Lovington where they can improve with shrubs or decorative perennials if they have the funds. She said that she appreciated the Board's consideration of the Committee's request.

Mr. Rutherford said that he had the honor of planting some of the flowers with the committee and understood the hard work they put into making Lovington beautiful.

Mr. Rutherford moved to **approve the \$2,000 grant request of the Lovington Beautification Committee**. Mr. Parr seconded the motion. Mr. Parr thanked Ms. Bastarache for all the work she and her committee do for the County. He said that he knew it was appreciated by their local businesses and community at large, and it was great to see so much activity and such great results. There being no further discussion, the Supervisors approved the motion unanimously (4-0) by roll call vote.

Mr. Parr suggested the Board consider including the beautification fund as an ongoing budget item. Ms. McGarry recommended that the Beautification Committee submit an annual budget request for the Board to consider for inclusion in the budget.

B. FY25-26 Salary and Classification System (R2025-50)

Director of Finance and Human Resources Grace Mawyer stated that Resolution R2025-50 amends the County's salary classification system to include a 3% salary adjustment for Nelson County personnel, both full and regular part-time employees, as well as a 3% salary adjustment for all regular part-time and full-time employees employed by a constitutional officer or in the Registrar's Office. She said that this 3% adjustment was inclusive of the 3% across-the-board percentage-based salary increases effective July 1, 2025, for all constitutional officers and their compensation board-funded permanent staff.

Ms. Mawyer said that an additional 6% salary adjustment for all full-time dispatch employees effective July 1, 2025, was also included in this resolution. She stated that this 6% adjustment was inclusive of 6% across-the-board percentage-based salary increases for all compensation board-funded dispatch positions and Sheriff's Office positions effective July 1. She said that this resolution authorized the pay range for their public safety dispatcher position to be increased by 6% for Fiscal Year 2026, pursuant to the new compensation board salary scale for dispatch positions.

Ms. Mawyer said that the pay ranges of all other positions within their pay classification system were increased by 1.5% for Fiscal Year 2026, in an effort to maintain competitive market-rate salaries. She said that these raises were included in their FY26 budget, which was passed on June 25, 2025.

Ms. McGarry said that she wanted to emphasize that they were proposing to raise their salary range scales by 1.5%, which they also did last year. She explained that the intent behind this is to maintain competitiveness in line with their salary and compensation studies. She said that steady increases would prevent the need for a sudden, larger increase.

Mr. Parr moved to adopt **Resolution R2025-50 Fiscal Year 2025-2026 Amendment of Salary and Classification System**. Dr. Ligon seconded the motion and there being no further discussion, the Supervisors approved the motion unanimously (4-0) by roll call vote and the following resolution was adopted:

**RESOLUTION R2025-50
NELSON COUNTY BOARD OF SUPERVISORS
FY2025-2026 AMENDMENT OF SALARY AND CLASSIFICATION SYSTEM**

BE IT RESOLVED by the Nelson County Board of Supervisors that the local government's "Salary and Classification System" is hereby amended to incorporate the following:

A three percent (3%) salary adjustment shall be hereby authorized for Nelson County personnel (full-time and regular part-time) employed pursuant to the County's salary classification and pay plan, effective on July 1, 2025. Additionally, a three percent (3%) salary adjustment shall be authorized for all regular part-time employees and all full-time employees, inclusive of the elected/appointed official, employed by a Constitutional Officer or in the Office of the Registrar. The three percent (3%) is inclusive of the 3% across-the-board percentage-based salary increases effective July 1, 2025 for all constitutional officers and their Compensation Board funded permanent staff positions and shall be calculated based upon the salary in effect on June 30, 2025 (Compensation Board and local supplement).

An additional six percent (6%) salary adjustment shall be authorized for all full-time dispatch employees effective on July 1, 2025. This is inclusive of the 6% across-the-board percentage-based salary increases for all Compensation Board funded COMOP and CO SP positions (dispatch positions in sheriffs' offices with primary law enforcement responsibilities in their county) effective July 1, 2025.

Finally, in order to endeavor to maintain competitive market rate salaries, as of July 1, 2025, the pay range assigned to the Public Safety Dispatcher position within the pay and classification system shall be increased by 6% for FY26, pursuant to the new Compensation Board salary scale for dispatch positions. The pay ranges of all other positions within the pay and classification system shall be increased by 1.5% for FY26. Probationary employees as of July 1, 2025 that are at the minimum of their assigned pay range, shall be moved to the new minimum of their assigned pay range within the pay and classification system. Upon successful completion of their probationary period, these employees shall receive the remaining salary increase of 1.5% for FY26 in order to provide a total salary increase of 3% based upon their salary as of June 30, 2025.

C. Ordinance Confirming One-Time Employee Bonus

Ms. Mawyer stated that the Ordinance O2025-06, pursuant to Virginia Code §15.2-1508, provided for the payment of monetary bonuses to the County's officers and employees. She explained that the 2025 General Assembly approved funding to support a 1.5% bonus for all Department of Social Services employees, constitutional officers, regional jail superintendents, and their compensation board-funded full-time

permanent employees, effective July 1, 2025. She said that this ordinance applied to both those employees and all County department full-time employees to provide a 1.5% bonus, as well as a \$200 bonus for all regular part-time employees. She said that the bonus was included in the FY26 budget, which went to public hearing on May 13, 2025 and was passed on June 25, 2025.

Mr. Reed asked for clarification that this was not the same 1.5% referenced in the previous item. Ms. McGarry confirmed this is a different 1.5% increase and would be a one-time bonus. Mr. Reed asked if it was based on what was provided by the state. Ms. Mawyer confirmed that was correct.

Mr. Rutherford asked what the resulting dollar amount would be. Ms. McGarry replied that she could not recall the exact amount, but she believed the bonus was about \$100,000 and the other percentage of raises was a little over \$200,000. She said that she could follow up and provide the Supervisors with the exact amounts.

Mr. Rutherford asked if the state would cover the additional expense for the bonus. Ms. McGarry said that the state would cover the bonus for the state-supported positions, and any other positions would be fully funded by the County. Mr. Rutherford asked if they had already budgeted for this. Ms. McGarry confirmed that yes, they had.

Mr. Parr moved to adopt **Ordinance O2025-06 Providing for the Payment of Bonuses to Certain County Employees**. Dr. Ligon seconded the motion. There being no further discussion, the Supervisors approved the motion unanimously (4-0) by roll call vote and the following ordinance was adopted:

**ORDINANCE O2025-06
NELSON COUNTY BOARD OF SUPERVISORS
ORDINANCE PROVIDING FOR THE PAYMENT OF
BONUSES TO CERTAIN COUNTY EMPLOYEES**

WHEREAS, pursuant to Virginia Code §15.2-1508, Bonuses for Employees of Local Governments, the County may provide for payment of monetary bonuses to its officers and employees; and

WHEREAS, the 2025 General Assembly has approved funding to support a 1.5% bonus for all Department of Social Services employees, constitutional officers, regional jail superintendents and their Compensation Board funded full-time permanent employees on July 1, 2025; and

WHEREAS, the 1.5% bonus is based on their current base salary provided that the governing authority of such employees use such funds to support the provision of a bonus for the stated employees; and

WHEREAS, during the County's FY26 budget work sessions, consideration for the 1.5% bonus was granted to all County Department full-time employees as well as a \$200 bonus for all regular part-time employees; and

WHEREAS, the Board of Supervisors, after duly advertising, held a Public Hearing for this purpose on May 13, 2025, and;

WHEREAS, the Board of Supervisors included the bonuses in its FY26 budget that was approved at the June 25, 2025 continued meeting; and

NOW, THEREFORE, BE IT ORDAINED that the Nelson County Board of Supervisors hereby approves the above referenced bonuses to be paid to the employees in all of the County Departments, to include the Constitutional Officer Departments, Registrar's Office, and the Department of Social Services.

D. Piney River Water and Sewer Rates

Ms. McGarry said that she had provided some of the information previously discussed during last month's presentation. She said that as of March 2025, there were 206 customers, consisting of five water-only, 18 sewer-only, 83 sewer and grinder pump customers, and 100 customers who used all three (water, sewer and grinder pump) services. She said that the next chart compared the base service and usage fees for water and sewer between the Nelson County Service Authority's systems and the County's Piney River system. She said that it also reiterated the connection fees, for each of those systems.

PRWS SYSTEM SERVICE & USAGE FEES
COMPARED TO NELSON COUNTY SERVICE AUTHORITY

Fee/Charge Description	RATES		
	2024 NCSA - Lovingston, Schuyler, Gladstone	2024 NCSA - Wintergreen Mountain (Where Different)	2013 Piney River County-02013-04
Base Service & Usage Fees			
Water Usage - (4,000 gallons monthly minimum)	\$ 48.30	\$ 52.90	\$ 29.90
Water Usage - (per 1,000 gallons over monthly minimum)	\$ 12.00		\$ 6.10
Sewer Usage - (4,000 gallons per month)	\$ 80.15	\$ 80.15	\$ 29.60
Sewer Usage - (per 1,000 gallons over monthly minimum)	\$ 11.30		\$ 6.85
Grinder Pump Fees	\$ 25.25		\$ 9.00

*NCSA Base Sewer Usage Rate Effective July 1, 2025

PRWS WATER AND SEWER CONNECTION FEES
COMPARED TO NELSON COUNTY SERVICE AUTHORITY

Fee/Charge Description	RATES		
	2024 NCSA - Lovingston, Schuyler, Gladstone	2024 NCSA - Wintergreen Mountain (Where Different)	2013 Piney River County-02013-04
Connection Fees - (Water & Sewer) - each			
5/8" to 3/4"	\$ 4,000.00		\$ 2,000.00
- Full 3/4" (3/4")	\$ 6,000.00		\$ 3,000.00
- One Inch (1")	\$ 10,000.00		\$ 5,000.00
- One & One Half (1 1/2")	\$ 17,500.00		\$ 8,000.00
- Two Inch (2")	\$ 32,000.00		\$ 16,000.00
- Three Inch (3")	\$ 64,000.00		\$ 32,000.00
- Four Inch (4")	\$ 100,000.00		\$ 50,000.00
- Six Inch (6")	\$ 200,000.00		\$ 100,000.00

Ms. McGarry stated that last month, they had examined several different scenarios for phasing in an increase in rates, with the longest being a five-year phase in. She said that the next chart displayed the five-year differential, which split the difference between the Piney River water and sewer rates and the Service Authority rates by equal amounts for five years, and then applied that differential amount to years one through five.

5 YEAR PHASE-IN OF EQUALIZING COUNTY PRWS & NCSA
WATER & SEWER SERVICE & USAGE FEES
(EQUAL INCREASES EACH YEAR)

5-Year Rate Phase-In

	NCSA	WGR	NC-PRWS	5-Year Differential	Year-1	% Change	Year-2	Year-3	Year-4	Year-5
Base Service & Usage Fees										
Water Usage - (4,000 gallons monthly minimum)	\$ 48.30	\$ 52.90	\$ 29.90	\$ 3.68	\$ 33.58	12.31%	\$ 37.26	\$ 40.94	\$ 44.62	\$ 48.30
Water Usage - (per 1,000 gallons over monthly minimum)	\$ 12.00		\$ 6.10	\$ 1.18	\$ 7.28	19.34%	\$ 8.46	\$ 9.64	\$ 10.82	\$ 12.00
Sewer Usage - (4,000 gallons per month)	\$ 80.15	\$ 80.15	\$ 29.60	\$ 10.11	\$ 39.71	34.16%	\$ 49.82	\$ 59.93	\$ 70.04	\$ 80.15
Sewer Usage - (per 1,000 gallons over monthly minimum)	\$ 11.30		\$ 6.85	\$ 0.89	\$ 7.74	12.99%	\$ 8.63	\$ 9.52	\$ 10.41	\$ 11.30
Grinder Pump Fees	\$ 25.25		\$ 9.00	\$ 3.25	\$ 12.25	36.11%	\$ 15.50	\$ 18.75	\$ 22.00	\$ 25.25
Minimum Total With Grinder Pump	\$ 153.70		\$ 68.50	\$ 17.04	\$ 85.54	24.88%	\$ 102.58	\$ 119.62	\$ 136.66	\$ 153.70
Minimum Total Without Grinder Pump	\$ 128.45		\$ 59.50	\$ 13.79	\$ 73.29	23.18%	\$ 87.08	\$ 100.87	\$ 114.66	\$ 128.45

She said they had been asked last month to consider a six-year rate phase-in, so they had developed two scenarios: one with equal increases each year, with the differential divided by six, and applied to years one through six, resulting in a minimum total with a grinder pump of \$82.70 in year one and \$70.99 without a grinder pump.

6 YEAR PHASE-IN OF EQUALIZING COUNTY PRWS & NCSA
WATER & SEWER SERVICE & USAGE FEES
(EQUAL INCREASES EACH YEAR)

6-Year Rate Phase-In

	NCSA	WGR	NC	6-Year Differential	Year-1	% Change	Year-2	Year-3	Year-4	Year-5	Year-6
Base Service & Usage Fees											
Water Usage - (4,000 gallons monthly minimum)	\$ 48.30	\$ 52.90	\$ 29.90	\$ 3.07	\$ 32.97	10.26%	\$ 36.03	\$ 39.10	\$ 42.17	\$ 45.23	\$ 48.30
Water Usage - (per 1,000 gallons over monthly minimum)	\$ 12.00		\$ 6.10	\$ 0.98	\$ 7.08	16.12%	\$ 8.07	\$ 9.05	\$ 10.03	\$ 11.02	\$ 12.00
Sewer Usage - (4,000 gallons per month)	\$ 80.15	\$ 80.15	\$ 29.60	\$ 8.43	\$ 38.03	28.46%	\$ 46.45	\$ 54.88	\$ 63.30	\$ 71.73	\$ 80.15
Sewer Usage - (per 1,000 gallons over monthly minimum)	\$ 11.30		\$ 6.85	\$ 0.74	\$ 7.59	10.83%	\$ 8.33	\$ 9.08	\$ 9.82	\$ 10.56	\$ 11.30
Grinder Pump Fees	\$ 25.25		\$ 9.00	\$ 2.71	\$ 11.71	30.09%	\$ 14.42	\$ 17.13	\$ 19.83	\$ 22.54	\$ 25.25
Minimum Total With Grinder Pump	\$ 153.70		\$ 68.50	\$ 14.20	\$ 82.70	20.73%	\$ 96.90	\$ 111.10	\$ 125.30	\$ 139.50	\$ 153.70
Minimum Total Without Grinder Pump	\$ 128.45		\$ 59.50	\$ 11.49	\$ 70.99	19.31%	\$ 82.48	\$ 93.98	\$ 105.47	\$ 116.96	\$ 128.45

Ms. McGarry said that the second six-year phase in scenario included a 2% per year inflationary factor in years two through six, resulting in a minimum total with a grinder pump of \$82.70 in year one and \$70.99 without a grinder pump. She indicated that in year two, the rate would increase to \$98.84 with a grinder pump and \$84.13 without a grinder pump. She said the six-year rate phase-in with the 2% inflationary factor did not equal the Service Authority rate, rather it came in a little higher due to the escalation from year to year. She indicated that the escalation was to take into account some level of increases by the Service Authority.

6 YEAR PHASE-IN OF EQUALIZING COUNTY PRWS & NCSA
WATER & SEWER SERVICE & USAGE FEES
(PLUS 2% ESCALATION OF INCREASES EACH YEAR)

6-Year Rate Phase-In with 2%/Year Inflationary Factor YR 2-6

	NCSA	WGR	NC	6-Year Differential	Year-1	% Change	Year-2	Year-3	Year-4	Year-5	Year-6
Base Service & Usage Fees											
Water Usage - (4,000 gallons monthly minimum)	\$ 48.30	\$ 52.90	\$ 29.90	\$ 3.07	\$ 32.97	10.26%	\$ 36.75	\$ 40.62	\$ 44.56	\$ 48.58	\$ 52.68
Water Usage - (per 1,000 gallons over monthly minimum)	\$ 12.00		\$ 6.10	\$ 0.98	\$ 7.08	16.12%	\$ 8.23	\$ 9.40	\$ 10.59	\$ 11.80	\$ 13.04
Sewer Usage - (4,000 gallons per month)	\$ 80.15	\$ 80.15	\$ 29.60	\$ 8.43	\$ 38.03	28.46%	\$ 47.38	\$ 56.92	\$ 66.65	\$ 76.58	\$ 86.70
Sewer Usage - (per 1,000 gallons over monthly minimum)	\$ 11.30		\$ 6.85	\$ 0.74	\$ 7.59	10.83%	\$ 8.50	\$ 9.43	\$ 10.37	\$ 11.34	\$ 12.32
Grinder Pump Fees	\$ 25.25		\$ 9.00	\$ 2.71	\$ 11.71	30.09%	\$ 14.71	\$ 17.76	\$ 20.88	\$ 24.06	\$ 27.30
Minimum Total With Grinder Pump	\$ 153.70		\$ 68.50	\$ 14.20	\$ 82.70	20.73%	\$ 98.84	\$ 115.30	\$ 132.09	\$ 149.21	\$ 166.68
Minimum Total Without Grinder Pump	\$ 128.45		\$ 59.50	\$ 11.49	\$ 70.99	19.31%	\$ 84.13	\$ 97.54	\$ 111.21	\$ 125.16	\$ 139.38

Ms. McGarry pointed out that there were other fees and charges to consider, such as yard hydrant fees, unauthorized water and sewer use fees, copies of County rules and regulations, new service opinion fees, voluntary disconnect and reconnect fees for water, and the misuse damage fee minimum.

OTHER FEES/CHARGES TO CONSIDER EQUALIZING

Fee/Charge Description	2024 NC SA - Livingston, Schuyler, Gladstone	2024 NC SA - Wintergreen Mountain (Where Different)	2013 Piney River County 02013.04
Availability Fees			
Availability Fee - Water		\$ 3.50	\$ -
Availability Fee - Sewer		\$ 5.00	\$ -
Yard Hydrant Fees			
Yard Hydrant Fees - (1,500 gal. base charge monthly - NC, 4,000 gal. NC SA) additional if on separate meter	\$ 48.30	\$ 52.00	\$ 7.50
Fire Protection Fees			
Fire Protection Fees - (annual per hydrant) Can be Paid Quarterly (County Pays NC SA)	\$ 981.41		N/A
Unauthorized Water/Sewer Use Fees			
Additional Daily Charge	\$ 1,000.00		\$ 500.00
Septage Hauler's Fees - (per gallon)	\$ 0.16		N/A
Copies of Authority/County Rules & Regulations	\$ 10.00		\$ 2.50
New Service Opinion Fee - (add'l charge of time & material if actually located or dug up)	\$ 50.00		\$ -
Voluntary Disconnect/Reconnection Fees (water service)	N/A		\$ 25.00
Misuse/Damage Fee - (actual cost for time & materials for all damages over minimum)	\$ 500.00		\$ -

Ms. McGarry said they had made a change to the original chart, with the advisement of Service Authority staff, regarding the availability fees for water and sewer, which were only applicable to the Wintergreen System. She said that for next steps, they would have a question and answer session and a discussion of any of the information presented. She noted that they could explore developing other rates, including one that covered the worst operational year's break-even point. She said that although they had not yet developed this rate, they would be working on it.

Ms. McGarry said that maximum usage fees and connection fees could be advertised for a public hearing, with proposed operational differences to be proposed at a later date because that would also require an ordinance amendment. She said that in staff discussions, they would recommend that the working group meet again to examine all operational differences and reach consensus on County ordinance changes. She said that they would then bring these changes back to the Board for a public hearing, along with proposed fee changes, at the August or September regular Board meeting.

Ms. McGarry said that this would provide a public hearing in September or October, allowing adequate lead time for customer notifications prior to a possible January 1, 2026 effective date or other timeframe the Board may prefer. She said that she believed that they may have additional work to do, so it may be best to have all ordinance changes done at once and have one public hearing on all of it, rather than splitting them up.

Mr. Parr thanked Ms. McGarry for the charts that included the six-year and the six-year with inflationary factor. He asked if it was possible to make more gradual year-to-year increases in order to lessen in the impact of the rate increases. He acknowledged they had to implement the increase to maintain the system, but he did not want the rates to be a severe burden on residents who may already be struggling.

Dr. Ligon said that they were currently operating at a negative, which was concerning. She noted that they had been planning to get out of the water and sewer business and asked what the timeline was on that. Mr. Parr commented that he did not think the Service Authority wanted to get into the Piney River Water and Sewer business until the County fixed the rates. Dr. Ligon commented that she agreed and noted that the longer they stretched it out, the longer the County would be in the business. Mr. Parr said that having an end time would be better than where they were now.

Mr. Reed said that in response to Mr. Parr’s suggestion about a more gradual increase, he would like to note that by doing so, the residents would be faced with a much steeper burden in the final years of the change, which would be much more radical than equalizing it year-to-year.

Mr. Parr said that he was thinking that may be more palatable because the projections are based on today’s market and assume an even growth year over year, but if they planned for the larger increases to occur towards the end of the six years, it would actually have less impact because people’s salaries would have grown or they would have had more time to budget and could accommodate that larger increase in rates.

Mr. Reed said that another consideration was whether they could keep these terms but change the ownership. He noted that he was unsure what the Service Authority would have to do in terms of maintaining different rates. He commented that he was unsure if they could relinquish ownership of the system prior to the term of the rate changes. Dr. Ligon said that she was not given that impression at the meeting. She said that there were many things they needed to fix and this was just one thing on the list. She acknowledged that changing ordinances was more work, but if it was taking an inordinate amount of time to reach a consensus, adjusting the fees for hookups and services could be beneficial. She said that it would help them generate income if they were to provide hookups and services, and it would also demonstrate to the Service Authority that they were taking steps forward.

Mr. Rutherford said that he was supportive of the proposed five to six year transition period to match the rate. He said that as for the implementation, he believed they would find the best approach. He said that he agreed with a start date of January 1, as he thought it provided sufficient time for constituents to prepare. He said that he thought it would be beneficial if they could schedule another meeting to finalize the rate. He said that the sooner they could complete this, the sooner their constituents could prepare for the changes. He said that in his opinion, a six year plan was preferable to the current zero plan they have had.

Mr. Parr agreed that they should move forward with the six-year plan, and discuss Mr. Reed's suggestion about getting something in writing from the Service Authority and what their timeline would be about getting the County out of the business.

Mr. Rutherford asked if the pump station was done yet. Ms. McGarry replied no. She said they were still in the process of ensuring that the specifications of the station they plan to order would work on the ground.

Mr. Rutherford said that they certainly should get the process moving and give the people of Piney River as much due diligence as possible. He commented that he felt five to six years was a reasonable timeframe. He concurred with Mr. Parr over the history of the Piney River System, noting that it was necessary to get the water system there due to water quality and sewer issues. He said that a similar water quality issue happened on Craigtown Road.

Ms. McGarry said that in their meeting with the Service Authority, the Authority stated they increased their rates by 15% every two years. She said that it was unlikely their rates would ever match exactly with the Service Authority's rates over the six years.

Mr. Reed said that they would need to reevaluate their rates at the end of the six years because the rates would not be the same. He said that the factors that caused the Service Authority to change its rates were not purely inflationary; they were based on needs, debt service, and other factors. He agreed that they should try to get this started by January 1. He said that they should definitely have something that demonstrates what they have to do to turn it over, and in the meantime they can plan more about what exactly that will entail.

Ms. McGarry asked if the Board had a year one base rate they could agree they should work from, or if they should have a work group meeting to discuss it more.

Dr. Ligon said that she was very interested in determining what rates would be necessary to achieve their operational break-even point. She said that she would like to achieve that break-even point within the first two years.

Mr. Reed said that considering the costs they have, the amount of customers, and what would be necessary to bring everything up to speed, he did not think it would affect what the rate change could be for the first year. He noted that break-even would be much higher than anything they projected. He agreed it would be good information to have, but he did not know if it had any bearing on the increases to the customer rates.

Mr. Parr said that they were currently at \$68.50 and \$59.50 for their current rates. He said that a 10% increase would be \$75.35 and \$65.45 in the first year.

Mr. Rutherford asked if they had to hold a public hearing for each rate increase or if they could do it at one time. Ms. McGarry said that she would check with their legal counsel to be sure, but she believed they had to advertise the rates for public hearing each year.

Dr. Ligon noted that if they increase the connection fees, it would put less pressure on the monthly rates. She commented that the connection rate in Piney River was \$2,000, but anywhere else in the County, it would cost \$4,000.

Mr. Rutherford said he recalled that ten years ago, the connection fees were seen as expensive, but now they were somewhat competitive. He said that he believed they should not be prohibitive to people who wanted to connect to public water and sewer, and as a homebuilder, he did not see an issue with increasing those fees.

Mr. Reed asked if there had been discussion about bringing the other rates into parity. Ms. McGarry replied yes. Dr. Ligon said that another major fee that was frequently discussed was grinder pump maintenance. She said that for the Service Authority, individuals with grinder pumps paid a premium, similar to insurance, in the event of an issue. She said that this was not the case in Piney River. She said that the burden of replacing the grinder pump fell largely on the County for Piney River, and that was not the case for the Service Authority's system. She said that there had been a lack of education provided to the Piney River customers on how to properly maintain their grinder pump and what materials should not be put in there, resulting in a higher failure rate due to this lack of knowledge. Ms. McGarry said that they had discussed looking into whether there had been repeat offenders with grinder pump failures and the potential for educating people.

Mr. Rutherford said that he believed it would be best if the working group met with the Service Authority again to review the numbers and see what would be necessary to break even and match the rates.

Mr. Reed suggested that when they put it out for public hearing, they should provide their best guess for the rates for the six years and potentially advertise for two years of rate increases. Dr. Ligon noted that the Service Authority had emphasized that they need a defined plan to get to the necessary rates, and doing that would not be a clear path. Mr. Rutherford said that the constituents deserved to know the six-year plan.

Ms. McGarry said that they could advertise the plan for informational purposes while only advertising one or two years of rate changes. She said that it was important to maintain flexibility in the case of changing circumstances in the out-years.

Dr. Ligon asked if the Board wanted to wait to hold a public hearing. Mr. Rutherford said that they should hold a public hearing in September or October in order to implement this plan by January 1. Mr. Reed said that he believed they should have the public hearing as soon as possible, but they should have some clearer information first. Mr. Parr said that they could authorize the public hearing in September and hold it in October, which would give them time to meet with the Service Authority in August.

Ms. McGarry said that she believed they had planned to meet again with the Service Authority at the end of this month.

VI. REPORTS, APPOINTMENTS, DIRECTIVES AND CORRESPONDENCE

A. Reports

1. County Administrator's Report

Ms. McGarry provided the following report:

- A. DSS Building** – Ms. McGarry reported that the County received four (4) bids within the project budget estimate; with base bids ranging from \$5,472,500 - \$5,869,000. PMA is reviewing the bids to determine the lowest responsive and responsible bidder, which will entail checking references and subcontractors, prior to their recommendation of contract award. Staff recommends that the Board be positioned to meet later in the month to authorize awarding the contract. Additionally, staff is working with PMA, Davenport, and Sands Anderson this week to further refine the amount of borrowing needed from the VRA bond sale.
- B. County/NCSA Work Group Meeting** – Ms. McGarry stated that the first work group meeting was held on June 11th, consisting of herself, Ms. Spivey, Ms. Mawyer, Dr. Ligon, Mr. Parr, George Miller, Jennifer Fitzgerald, as well as Mr. McSwain and Mr. Hight of the Service Authority Board. The group reviewed the history of discussions of transferring the system, the need for uniform regulations, and the Piney River system being financially self-sufficient. Information to be gathered for the next meeting includes: a break-even rate during the most recent worst year, looking at grinder pump replacement orders to determine any repeat customers, and defining operational differences between County/NCSA policies. The work group less Mr. Hight and Mr. Parr, met onsite for a tour of the Black Creek water and wastewater treatment plants and at the old Lovington wastewater treatment plant behind Calvary Baptist church. It was confirmed that water volume and treatment capacity were both issues that would need to be addressed to accommodate future growth in the system. Water treatment is currently at 77% of the permitted volume of the treatment plant and DEQ has an 80% threshold. The group will continue to meet monthly.

Ms. McGarry noted that the tour of the plant went well and they learned a lot. Mr. Rutherford indicated that he was curious to know what the remaining 3% equaled in terms of houses. Ms. McGarry noted they would have to look into it. Mr. Rutherford recalled when there was speculation of a developer coming to Lovingsston, that there was capacity for about 50 additional houses. Dr. Ligon commented that Service Authority staff laughed during the tour when discussing the report on capacity and felt things were more dire than what was suggested.

C. Region 2000 Services Authority – Ms. McGarry reported that the Authority met on June 25, 2025 and adopted a Member tipping fee rate of \$34/Ton and a Non-member rate of \$44/Ton. The FY26 budget of \$7,924,682 was adopted based upon 71,265 Member tons and 125,038 Non-member tons.

D. Regional Water Supply Planning – Ms. McGarry stated that the Central Virginia Planning District Commission (CVPDC) membership voted to authorize CVPDC to take the lead on Regional Water Supply planning activities on behalf of the Middle James River 2 Regional Planning Unit (RPU), which the County is part of. They are applying for Virginia Department of Emergency Management grant funding for the overall Supply Plan update in July and are requesting a letter of intent to participate from each member of the RPU to include with the final grant application. The letter includes the commitment to provide a \$5,400 local match upon successful award of the grant. The Board's consensus for staff to provide this commitment letter is requested. They will also be applying for initial DEQ grant funding in September to be used for updating member data.

Ms. McGarry noted that the grant amount being applied for was about \$450,000.

Dr. Ligon moved that the Board **to direct staff to send a signed letter of intent for Nelson County to participate in the Middle James River RPU's Virginia Department of Emergency Management grant application.** Mr. Rutherford seconded the motion. There being no further discussion, the Supervisors approved the vote unanimously (4-0) by roll call vote.

E. Regional Jail Renovation & Expansion Project – Ms. McGarry stated that the Board will receive a presentation from ACRJ staff and Davenport on the project scope and financing during the evening session. Approval of the financing will be sought from the Board with ACRJ Board approval to be proposed at the regular ACRJ meeting on July 10th.

Dr. Ligon noted that the County's portion was based on incarceration rate and asked if the County's incarceration rate were to drop, whether they would pay a lesser amount. Ms. McGarry explained that the amount was based on a five-year average. She confirmed that if the five-year average changed, the County's commitment amount would also change. She indicated that the average was based on bed days.

F. Department of Social Services – Ms. McGarry gave a brief update on the Department of Social Services Agency Corrective Action Plan. She reported that on June 26th, Mr. Johnson, Mr. Burdette, and herself met virtually with the Regional DSS Office team to go over their first month's review of CAP items. Practice areas reviewed consisted of Child Protective Services, Foster Care Prevention/In-home Services, Permanency Services, and Resource Family Services. DSS staff is working through a referral casework backlog, completing courses of recommended training in the various areas, working to improve case assessments and documentation including timely entering case data into DSS tracking systems and timely closing out case files within the systems. Regional Office staff provided guidance on improvement in each of these areas. Staffing was discussed, including adding another Family Services Supervisor position. Additionally, it was noted that DSS case tracking reports were readily available to Supervisors and the Director to assist in the management of case files within those systems. The next review will be on July 24.

Dr. Ligon commented that she was under the impression that Social Services was fully staffed, she asked if they were wanting another person or if they had lost someone. Ms. McGarry noted that she thought it was another supervisory position. She commented that they did have a staff member in the Family Services area who is on maternity leave. She noted that they had some staff leave, but they had also brought in contract staff to take those places. She explained that one Family Services supervisor was managing all of the service areas, along with having training in all of the service areas, and the Regional staff felt that was stretching that staff member very thin. Ms. McGarry noted that the thought was possibly adding another supervisor to take some of the burden from the current supervisor. Dr. Ligon asked if once the backlog was gone, things would improve. Ms. McGarry noted that she was unsure. Dr. Ligon asked Ms. McGarry if she felt the head administration people of the department were stepping up to help the supervisor, or if their solution was to just hire another person. Ms. McGarry noted she was just in the meeting and not in the office on a regular basis, so she could not speak to how much the leadership was helping that particular supervisor. She indicated that the regional office was helping the supervisor a lot to review case files and determining what needs to be done, as well as scheduling training. She commented that the leadership could better utilize the tracking mechanisms in their systems to generate the reports needed, so they could follow up on any open case files.

- G. FY2024-2025 Year End** – Ms. McGarry reported that on a cash basis, revenues (including year ending balance of \$4,089,263) exceeded expenditures by \$3,692,072; of which, \$3,272,300 was projected and built into the FY26 budget as Carry-Over used to cover one-time expenditures of Capital Outlay, Non-Recurring Contingency, Miscellaneous Carry forward & Non-Recurring Costs, and the costs of the 1.5% Bonus for full-time employees and \$200 for regular part-time employees. This leaves a balance of \$419,772 which will offset the \$600,000 in additional fund balance budgeted for 4 School Buses.

FY25 YTD Revenues (Including Year Ending Balance) \$51,663,619

FY25 YTD Expenditures \$47,971,548

Difference (FY25 Carry-Over) \$3,692,072

Revenues:

Local Revenue collected came in \$167,715 (.41%) higher than the amended budget

State Revenue collected came in \$436,533 (-7.41%) lower than the amended budget

Federal Revenue collected came in \$230,101 (-14.57) lower than the amended budget

The net total Revenue collected came in \$498,919 lower than the total amended budget **before including the year ending balance of \$4,089,263**. This is primarily because most State and Federal revenues are grants or programs which operate on a reimbursement basis, i.e. if the funds aren't spent, the reimbursements aren't made and funds aren't collected.

Expenditures:

At the end of the fiscal year, \$47,971,548 of the \$52,162,539 appropriated funds were expended, leaving a balance of \$4,190,991 (8.03%) in un-expended funds. Of that amount, there were unspent departmental expenditures of \$2,113,829 and \$2,077,162 in unspent Transfers, Non-Departmental and Capital Outlay funds, Reassessment, CSA, and Contingency funds. Note that some Departmental budgets contained grant funds specific to that department that were not fully expended and will be carried forward into FY26.

FY25 Carry-Over:

The end of fiscal year expenditure savings of \$4,190,991 netted with the total revenue collected that was less than budgeted of \$498,919 yields Carry-Over of \$3,692,072

Auditors will accrue back both revenues and expenditures related to FY25 through the month of September; which will result in different FY25 audit results, which are shown on a modified accrual basis.

- H. Meals and Lodging Tax Collection & Lodging Entity Tracking** – Ms. McGarry reported the number of Lodging Units is 823, down from 826 in the previous report.

- I. Staff Reports** Ms. McGarry stated that the department and office reports for May/June have been provided.

2. Board Reports

Dr. Ligon:

Dr. Ligon stated that at their recent Planning Commission meeting following the joint work session, they discussed Zoning Ordinance matters and the possibility of having more detailed conversations during the Planning Commission meetings so that the joint meetings are able to be more productive. She said that they also revised the role of the representative from the Board of Supervisors, shifting from a voting entity on planning matters to a liaison between the two Boards. She said that the Board representative, who was currently herself, could count towards the quorum, and was part of defining the Planning Commission's structure, which included voting on the Chair and Vice Chair positions. She said that she would appreciate it if Ms. Bishop could receive assistance as soon as possible.

Ms. McGarry said that they had some interviews scheduled for this week.

Mr. Parr:

Mr. Parr referenced Ms. McGarry's report on the corrective action plan (CAP), and reported that after that meeting, they also had a meeting about the performance improvement plan (PIP). He said that their initial meeting took place before the PIP was finalized, so they had that additional meeting to make sure everyone was on the same page regarding the timelines and what was expected. He said that they also had a transition of leadership on the Board with Mr. Brad Johnson coming off as Chair and Ms. Edith Napier taking the role

of Chair. He said that they had not had a Board meeting or PIP meeting since that took place on July 1, but they would have a board meeting next week.

Mr. Parr reported that at the last Emergency Management Services (EMS) Council, they had just met after a horrible accident at Crabtree Falls. He said that the Council had discussed challenges they encountered during that event, one of which was communication with helicopters. He explained that Pegasus could not go into the smaller areas, so another helicopter went into Crabtree to get the victims, then took them to Montebello where Pegasus was able to access them, but during that there were some communication issues.

Mr. Parr said that there was a suggestion about having internet accessibility in the area so that people could make emergency calls that way. He said that he contacted Firefly the day after the EMS Council meeting, and within three days of their discussion, Firefly installed a WiFi hotspot at the Montebello Fire Department. He said that now, anyone there could go to the fire station to make a WiFi call in case they needed help. He said that he was grateful to Firefly for making that happen so quickly.

Mr. Rutherford:

Mr. Rutherford stated that they had a recent meeting of the Lovington Merchants Association, which went fairly well but he had to leave early due to work obligations. He said that Dr. Ligon was also at that meeting. He said that as they continued their design work, they would have banners to generate some excitement for the Village. He said that they were also waiting to hear an update on the Virginia Transportation Alternatives Program (VTAP) Grant for the sidewalks in Lovington.

Mr. Reed:

Mr. Reed said that he participated in two sessions of Cop Camp at Tye River Elementary, where he talked about the County government and being a Supervisor. He said that he thought the Sheriff's Office did a great job organizing the camp this year. He said that there had been a couple of School Board meetings, including one where they passed their budget. He said that the School Board had a few good news items, including that chronic absenteeism was significantly reduced this year thanks to a new program. He stated that teacher retention at the middle school and high school was at a higher level than since pre-COVID, which was good to hear.

Mr. Reed said that he also took a few tours around the County, including one at Virginia Distillery in which Mark Warner was in attendance. He said that Jim Saunders gave him a tour of Saunders Brothers to provide some updates of the facility and operations. He said that the Thomas Jefferson Regional Planning Commission (TJPDC) Regional Housing Partnership had a zoom meeting and they received newly updated demographics. He said that it mostly applied to the Charlottesville area, but the effects on Nelson County were also noticeable.

Mr. Reed said that he spoke at the Crawford's Knob dedication on June 28, where 1,400 acres were taken out of the development master plan and put under permanent conservation easement for research and open space. He said that there would not be any development in that area. He added that Doug Coleman announced his retirement at that event as well. He said that yesterday, the Jefferson Area Board on Aging (JABA) Board of Directors hired their new CEO, who had been serving as the interim CEO, Christina Evans. He also reported that he and Robert McSwain were at Wintergreen reviewing the punch-list for the Wintergreen Wastewater Treatment Plant.

B. Appointments

Ms. Spivey reviewed the following appointments:

Nelson County Library Advisory Committee

Ms. Spivey stated that their West District representative on the Library Advisory Committee, Audrey Diane Evans, had passed away unexpectedly. She said that they would be looking to fill her position, which she had held for over a decade. She said that they were also looking for a South District representative on the Library Advisory Committee.

Economic Development Authority

Ms. Spivey said that Margaret Clair had expressed interest again in being considered for the Economic Development Authority, so her application was available for the Board to review.

Board of Zoning Appeals

Ms. Spivey reported that they were also seeking a member to join the Board of Zoning Appeals for the alternate position, as Mary Cunningham was not seeking reappointment.

Social Services Board

Ms. Spivey indicated that there was a vacancy for the North District on the Social Services Board as Diane Harvey's term limit was reached, and Kate Rutherford had submitted an application that was sent to the Board today.

Agricultural and Forestal District Advisory Committee

Ms. Spivey said that the Agricultural Forestal District Committee needed a landowner appointment. She noted that they had not received any applicants yet, so they were advertising for that. Mr. Rutherford suggested reaching out to the gentleman involved in establishing the AFD in Montebello.

Mr. Reed noted that he would like to consider Margaret Clair's application to the EDA. Mr. Parr asked if they would make the appointments at one time, or keep them separate. Mr. Reed suggested that they do them separately. He noted that he had not had a chance to review the application for the DSS Board and he wanted to have time to look at it.

Dr. Ligon moved to **appoint Margaret Clair to the Economic Development Authority**. Mr. Rutherford seconded the motion. There being no further discussion, the Supervisors approved the motion unanimously (4-0) by roll call vote.

Mr. Reed noted they had just received the applicant for the Social Services Board that day, and asked if they could keep it advertised for next month. Mr. Parr noted that he had been having conversations with the applicant as the Board representative on the DSS Board. He noted Ms. Rutherford's history with the system as a foster family.

Mr. Parr moved to **appoint Kathryn C. Rutherford to the Social Services Board**. Dr. Ligon seconded the motion. There being no further discussion, the Supervisors approved the motion (3-0) by roll call vote. Mr. Reed abstained from the motion.

C. Correspondence

Mr. Rutherford said that he had received correspondence about VDOT, as well as the DSS situation that had many of his constituents concerned. He said that he looked forward to receiving updates from staff and their liaison.

D. Directives

The Board had no directives.

VII. OTHER BUSINESS (AS PRESENTED):

Mr. Reed asked if Ms. McGarry had any information about staff spacing needs that the Board should discuss.

Ms. McGarry said that to provide some background on the impetus for this topic, the School Board had requested a joint meeting with the Board of Supervisors, possibly later in the week. She said that the topic of discussion would primarily be the potential relocation of the School Board. She said that this had raised questions about whether it would be beneficial to have this discussion before meeting with the School Board, and asked what the Board of Supervisors would like to see specifically from the School Board to further the discussion.

Ms. McGarry said that she had emailed the Board the information provided by Dr. Hester this morning, which included their current number of employees and five-year forecasts for employees and square footage needs. She said that the purpose of today's discussion was to explore the structure of a potential joint meeting on this subject and to determine what information the Board of Supervisors would like to see to facilitate meaningful dialogue about the potential relocation.

Dr. Ligon said that she would like to see information about how much room they had on each floor. Ms. McGarry said that the floor square footage was not included, but there was a breakdown of space by department.

Mr. Reed said that he believed a joint meeting this summer was necessary so they could potentially move things around next summer. He noted that there were issues with other offices in the courthouse that needed space. He suggested that in addition to the information on space needs, it may also be helpful to have information on what spaces may be available for County use.

Mr. Reed said that he was aware there had been discussions about using the community center on Route 56.

Ms. McGarry replied yes, that building had been vacant for a long time and might be a good fit. She said that there was some potential there with regard to the School Board's needs; however, she had not spoken to the owner of that building so she was not sure what their plans were. She said that she had suggested to Dr. Hester that they should follow up on whether that location may be suitable.

Mr. Reed said that more active community centers may be a good fit as well. He said that a regular presence and investment from the County would be a boon to either the Nelson Center, Heritage Center, or perhaps Fleetwood.

Mr. Rutherford noted that the state paid for all the construction at the Heritage Center when they relocated the Health Department, but in this case the County would be paying for all it. He said that he was interested in learning what the exact capacity was in the existing school system, considering they used to have meetings in the Alpha wing, which was mostly vacant. He said that he would like to know if they still used that wing for classrooms or other purposes. Mr. Parr said that he believed Ms. Suzanne Hauschner used that space.

Mr. Rutherford said that the School Board ultimately must decide what space was necessary. He asked if County staff had met with Schools staff to discuss this issue yet. He said that he would need them to do that before they had a joint meeting. Mr. Parr said that the Supervisors needed to review the information provided thus far before having a joint meeting. Dr. Ligon said that she also wanted to have the School Board's answers incorporated in the spreadsheet information.

Mr. Parr said that the Board also needed to discuss the County's long-range planning for all of their departments before they discussed the specific needs of any single department.

Dr. Ligon said that it may not be the School Board that needed to move facilities; another department may be the one to move.

Mr. Reed said that it was premature to say that next summer was the goal, and they should take the time to do it right. He noted that however, if the needs were more immediate than that, they should know that so they could take action. He said that he was given the impression that it was a more urgent matter than a long-range plan, so if that was the case, they may need to pursue a more aggressive timeline.

Mr. Parr said that they had already identified next summer as the necessary timeline.

Mr. Parr said that the Board needed to discuss the bigger picture before having a joint meeting. He said that the Nelson Center was certainly a possibility.

Dr. Ligon added that there were several buildings currently for sale in Lovington, so there were multiple possibilities. She said that she would like to see information on the costs associated with moving different departments.

Mr. Parr said that the Board needed to have their own work session to discuss this information. The Board discussed work session options to discuss space needs and selected August 19th at 3 p.m.

Mr. Reed said that he would still prefer a joint meeting to talk about this information with the School Board, rather than them having separate meetings. He said that he would appreciate more data from the School Board about their priorities as well as relevant information about the costs and time necessary for modification of existing buildings to provide the adequate space.

Dr. Ligon said that she believed the Board should review the information on the spreadsheet before discussing it with the School Board. She asked if staff could provide hard copies of the information. Ms. McGarry said that staff could provide any other information that would be helpful to the Board, so she encouraged them to ask.

Mr. Reed said that if Dr. Hester and the School Board had any other information to provide to the Board, that would be helpful for their discussion.

VIII. ADJOURN & CONTINUE – EVENING SESSION AT 7PM

At 3:54 p.m. Dr. Ligon moved to adjourn and reconvene at 7:00 p.m. and Mr. Parr seconded the motion. There being no further discussion, Supervisors approved the motion (3-1) by roll call vote, with Mr. Rutherford voting no, and the meeting adjourned.

EVENING SESSION 7:00 P.M. – NELSON COUNTY COURTHOUSE

I. CALL TO ORDER

Mr. Reed called the meeting to order at 7:00 p.m. with four (4) Supervisors present to establish a quorum. Mr. Harvey was absent.

II. PUBLIC COMMENTS

There were persons wishing to speak during Public Comments.

III. PUBLIC HEARINGS

A. ORDINANCE O2025-04 – AMENDMENT TO CHAPTER 11, TAXATION, ARTICLE 6 TRANSIENT OCCUPANCY TAX

Consideration of an ordinance proposed for passage to amend Chapter 11, Taxation, Article 6 Transient Occupancy Tax. Proposed amendments would add new definitions to Sec. 11-130; Repeal current Sec. 11-132 and enact new Sec. 11-132 Collection from transients, when payable; add language to Sec. 11-133 to comply with changes to State Code effective July 1, 2025 regarding reporting requirements for accommodations providers (HB 2383 & SB 1402).

Ms. McGarry stated that their state code authorization for this amendment is pursuant to enacted General Assembly bills HB 2383 and SB 1402, which became effective on July 1, 2025. She said that according to State Code Title 58.1 Taxation, Subtitle III Local Taxes, Chapter 38 Miscellaneous Taxes, Article 6 Transient Occupancy Tax, and specifically sections §58.1-3818.8 Definitions, 58.1-3826 Scope of Transient Occupancy Tax, and 58.1-3827 Administration of Transient Occupancy Tax.

Ms. McGarry explained that this amendment would add definitions to the County Code §11-130, definitions pursuant to §58.1-602. She said they are adding definitions for accommodations, accommodations fee, accommodations intermediary, and accommodations provider. She noted that the amendment would also repeal current §11-132 and enact new §11-132, collection from transients when payable pursuant to §58.1-3826 Scope of Transient Occupancy Tax.

Ms. McGarry said that this amendment provides for collection of tax and for reporting and remittance of tax by accommodations intermediaries and accommodations providers. She said that the amendment will also add to the County Code §11-133, report of collection of remittance of tax pursuant to §58.1-3827 Administration of Transient Occupancy Tax. She said that accommodations providers are not required to submit a report to the Commissioner of Revenue if all accommodation sales are facilitated by an accommodations intermediary and the provider attests to the locality by a Commissioner of Revenue form stating the same.

Ms. McGarry continued that that the new language also provides for when the attestation forms are provided to the Commissioner of Revenue and also accommodations providers who do not use an accommodations intermediary are required to submit a report and remit such tax as otherwise required in Article 6. She summarized that they are amending their local ordinance to comply with new state law effective July 1, 2025, as previously described. She stated the next steps would be to conduct a public hearing, ask and answer any questions, and then staff would recommend adoption of the ordinance as presented.

Mr. Reed opened the public hearing. There were no speakers, and the public hearing was closed.

Mr. Rutherford moved to approve **Ordinance O2025-04 – Amendment to Chapter 11, Taxation, Article 6 Transient Occupancy Tax.**

Dr. Ligon seconded the motion. There being no further discussion, Supervisors approved the motion unanimously (4-0) by roll call vote and the following ordinance was adopted:

ORDINANCE O2025-04
NELSON COUNTY BOARD OF SUPERVISORS
AMENDMENT OF THE CODE OF NELSON COUNTY, VIRGINIA
CHAPTER 11, TAXATION, ARTICLE 6 TRANSIENT OCCUPANCY TAX

BE IT HEREBY ORDAINED, by the Nelson County Board of Supervisors that the Code of Nelson County, Virginia, Chapter 11, Taxation, Article 6 Transient Occupancy Tax is hereby amended as follows:

Amend

Add to Sec. 11-130. Definitions

(6) *Accommodations*: any room or rooms, lodgings, accommodations, or space at a Lodging Facility for which tax is imposed on the retail sale of the same pursuant to this Article.

(7) *Accommodations fee*: the room charge less the discount room charge, if any, provided that the accommodations fee must not be less than \$0.

(8) *Accommodations intermediary*: any person other than an accommodations provider that (i) facilitates the sale of an accommodation and (ii) either (a) charges room charge to the customer, and charges an accommodations fee to the customer, which fee it retains as compensation for facilitating the sale; (b) collects a room charge from the customer; or (c) charges a fee, other than an accommodations fee, to the customer, which fee it retains as compensation for facilitating the sale. For purposes of this definition, "facilitates the sale" includes brokering, coordinating, or in any other way arranging for the purchase of the right to use accommodations via a transaction directly, including one or more payment processors, between a customer and an accommodations provider.

Accommodations intermediary does not include a person:

- (1) If the accommodations are provided by an accommodation provider operating under a trademark, trade name, or service mark belonging to that person;
- (2) Who facilitates the sale of an accommodation if (i) the price paid by the customer to such person is equal to the price paid by such person to the accommodations provider for the use of the accommodations and (ii) the only compensation received by such person for facilitating the sale of the accommodation is a commission paid from the accommodation provider to such person; or
- (3) Who is licensed as a real estate licensee pursuant to Article 1 (§ 54.1-2100 *et seq.*) of Chapter 21 of Title 54.1 of the Virginia Code, when acting within the scope of such license.

(9) *Accommodations provider*: any person that furnishes accommodations to the general public for compensation. The term "furnishes" includes the sale of use or possession or the sale of the right to use or possess.

Repeal current Sec. 11-132.

Enact:

Sec. 11-132. Collection from transients, when payable.

Collection of Tax.

(a) For any retail sale of accommodations facilitated by an accommodation intermediary, the accommodations intermediary will be deemed a facility making a retail sale of an accommodation. The accommodations intermediary must collect the tax imposed pursuant to this Article, computed on the total room charge, from the person paying for the accommodations at the time payment for such accommodations is made and shall be liable for the same.

(b) For any retail sale of accommodations not facilitated by an accommodations intermediary, the accommodations provider must collect the tax imposed pursuant to this Article, computed on the total room charge, from the person paying for the accommodations at the time payment for such accommodations is made and shall be liable for the same.

Report and Remittance of Tax.

- (a) For any retail sale of accommodations facilitated by an accommodations intermediary, the accommodations intermediary must remit the tax imposed pursuant to this Article to the Commissioner.
- (b) For any retail sale of accommodations not facilitated by an accommodations intermediary, the accommodations provider must remit the tax imposed pursuant to this Article to the Commissioner.
- (c) For any transaction for the retail sale of accommodations involving two or more parties that meet the definition of accommodations intermediary, nothing in this Article prohibits such parties from making an agreement regarding which party will be responsible for collecting and remitting the tax, so long as the party so responsible is registered with the Commissioner for purposes of remitting the tax. In such event, the party that agrees to collect and remit the tax will be the sole party liable for the tax, and the other parties to such agreement will not be liable for such tax.
- (d) Each accommodations intermediary must submit to the Commissioner the property addresses and gross receipts for all accommodations facilitated by the accommodations intermediary in Nelson County on a monthly basis.

Add to Sec. 11-133:

An accommodations provider shall not be required to submit a report to the Commissioner of the Revenue if (i) all retail sales of accommodations owned by the accommodations provider are facilitated by an accommodations intermediary and (ii) the accommodations provider attests to the locality that all such sales are facilitated by an accommodations intermediary. Such attestation shall be effective for 12 months beginning with the month in which the attestation is made. Thereafter, such attestation shall be due annually on a date determined by the Commissioner of the Revenue, on such forms and in such manner as the Commissioner of the Revenue may prescribe and require. However, such accommodations provider shall make out and submit a report in accordance with this subsection for the retail sale of any accommodations not facilitated by an accommodations intermediary and shall remit such tax as otherwise required by this article.

BE IT FURTHER ORDAINED, that this ordinance becomes effective upon adoption.

B. ORDINANCE 2025-05 – AMENDMENT TO CHAPTER 6, LICENSES, PERMITS AND BUSINESS REGULATIONS, ARTICLE 4 GENERAL BUSINESS LICENSE

Consideration of an ordinance proposed for passage to amend Chapter 6, Licenses, Permits and Business Regulations, Article 4 General Business License. Proposed amendments repeal current Sec. 6-90 and enact new Sec. 6-90 Application requirements; which would add the requirement of a zoning approval prior to the issuance of a business license for new businesses, or existing businesses which have changed physical location or description, and would only apply to uses regulated by the Zoning Ordinance such as commercial uses, home occupations, and short term rentals.

Ms. McGarry stated that the authorizing state code section, pursuant to enacted General Assembly bills HB 2383 and SB 1402, effective July 1, 2025, would amend Title 58.1 Taxation, Chapter 0 General Provisions, Article 1 In General, §58.1-3, Secrecy of information and penalties Section G. She stated that to pursuant to this state code section, the new legislation states that information provided by an accommodations intermediary to Commissioners of Revenue or Treasurers for Transient Occupancy Tax purposes shall be confidential and cannot be shared with any other department or official of the locality.

Ms. McGarry explained that this change has procedural implications for the County, as currently, the Commissioner of Revenue submits copies of business licenses for each month to Planning and Zoning staff to confirm Zoning Ordinance compliance, and these are also provided to Tourism and Economic Development for maintaining the County's business registry. She said that under the new state code provisions, this sharing of information will no longer be allowed for businesses whose information is provided by an accommodations intermediary.

Ms. McGarry said that to address this change, County staff proposes a solution that amends the County Code Chapter 6, Licenses, Permits and Business Regulations, Article 4 General Business License §6-90 Application Requirements. She said that the proposed County Code amendment would repeal and reenact §6-90 Application Requirements, adding the requirement of obtaining zoning approval prior to the issuance of a business license for new or existing businesses that have changed their physical location or description. She said that this new

requirement would only apply to uses regulated by the Zoning Ordinance, such as commercial uses, home occupations, and short-term rentals.

Ms. McGarry said that the Planning and Zoning Department is developing a new zoning approval application to ensure that the necessary information is captured and that the use is compliant prior to the applicant acquiring a business license from the Commissioner of Revenue. She stated that the next steps will be to conduct the public hearing, ask and answer any questions, and then staff would recommend adoption of this Ordinance so they may obtain information directly through the Planning and Zoning Office, which would then be shared with the Office of the Commissioner of Revenue when someone applies for a business license.

Mr. Reed opened the public hearing.

Teresa Coffey – Coffey Hollow Lane

Ms. Coffey said that the question that many people were seeking clarification on was when it mentioned making amendments to existing businesses, such as hers. She asked if this meant that they would have to go through the process of applying for a new permit every time. She asked what the objective was behind this proposed change.

There were no other persons wishing to speak during the public hearing and Mr. Reed closed the public hearing.

Mr. Rutherford said that business licenses must be filed on an annual basis and be approved by the Commissioner of Revenue. He asked if it was correct that due to the new state legislation regarding secrecy of information, they had to go to the Planning and Zoning Department for approval.

Ms. McGarry clarified that yes, that would be required prior to the issuance of a business license for new business or an existing businesses that had changed their physical location or description.

Mr. Rutherford said that as it related to short-term rentals, this was not zoning-related; it was meant to provide the County access to the information to enforce their current ordinance and taxation.

Ms. McGarry said that it was about managing the flow of information because they could no longer receive short-term rental information from the Commissioner’s Office if an accommodations intermediary provided it. She said that to get that information to the County, they would collect it up front through the Zoning Office before they got their business licenses, rather than getting it from the Commissioner or Revenue as they had previously.

Mr. Reed asked if this could be considered as a permit the County required businesses to complete with the Zoning Department. Ms. McGarry clarified that it was a form to be completed with the Zoning Department, but the actual permit still came from the Commissioner of Revenue’s Office.

Mr. Parr said that it was information that the County was already receiving from the business, just at a different point.

Ms. McGarry said that it made better sense for Planning and Zoning to sign off on it first to ensure the business was allowed in the zoning district before the business license was approved.

Dr. Ligon moved to approve **Ordinance O2025-05 – Amendment to Chapter 6, Licenses, Permits and Business Regulations, Article 4 General Business License**. Mr. Parr seconded the motion. There being no further discussion, Supervisors approved the motion unanimously (4-0) and the following ordinance was adopted:

ORDINANCE O2025-05
NELSON COUNTY BOARD OF SUPERVISORS
AMENDMENT OF THE CODE OF NELSON COUNTY, VIRGINIA
CHAPTER 6, LICENSES, PERMITS AND BUSINESS REGULATIONS
ARTICLE 4 GENERAL BUSINESS LICENSE

BE IT HEREBY ORDAINED, by the Nelson County Board of Supervisors that the Code of Nelson County, Virginia, Chapter 6, Licenses, Permits and Business Regulations, Article 4 General Business License is hereby amended as follows:

Amend

Repeal current Sec. 6-90.

Enact:

Sec. 6-90. Application requirements.

(a) The Commissioner of Revenue shall develop an application which shall require the business name and any trade names, the federal identification number, the type of business and its description, the physical and mailing addresses of the business, the name of the individual signing the application together with his driver's license number and contact information, and such other information deemed necessary by the Commissioner for the processing of the application.

(b) For new businesses, or existing businesses which have changed physical location or description, the following additional information is required:

(1) A copy of the approved Zoning Permit from the Planning and Zoning Department to indicate whether the applicant's business is in compliance with the Zoning Ordinance.

BE IT FURTHER ORDAINED, that this ordinance becomes effective upon adoption.

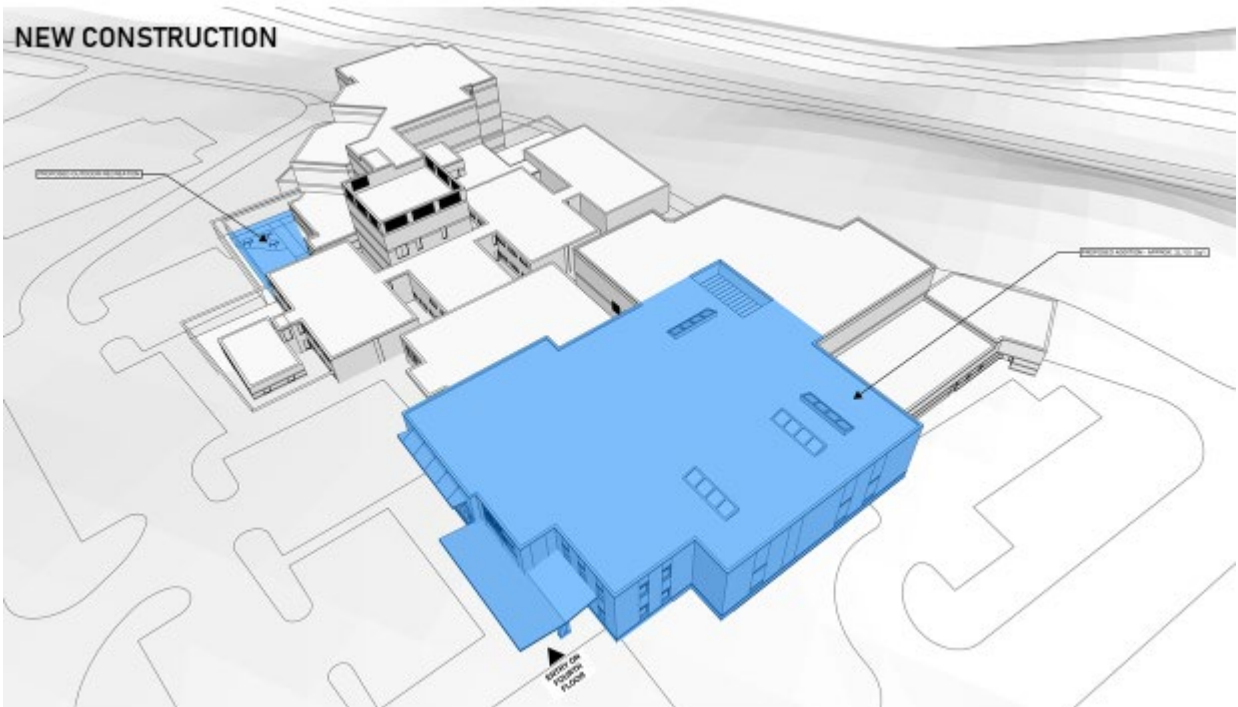
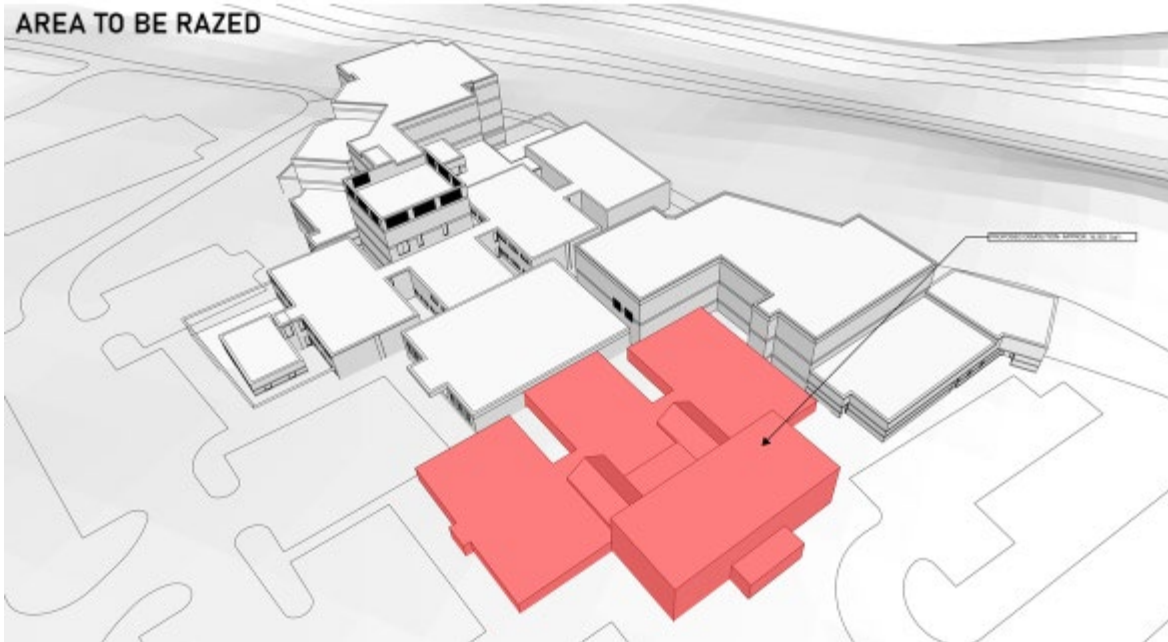
IV. OTHER BUSINESS (AS PRESENTED)

A. ALBEMARLE-CHARLOTTESVILLE REGIONAL JAIL RENOVATION PROJECT SCOPE UPDATE AND FINANCING (R2025-51)

Superintendent of Albemarle-Charlottesville Regional Jail (ACRJ) Colonel Martin Kumer stated that he had presented information to the Board last year to request interim financing for the design of the ACRJ renovations and expansion. He said that to clarify, the expansion would increase the square footage of the jail but would not be adding to the jail's number of beds. He stated that they had received bids in late May, and they were significantly higher than expected. He commented that they were estimating that the actual construction costs would approximately \$39 million, while the design and engineering costs were an additional \$10 million. He said that the lowest bid they received was \$53 million from English Construction, with the highest bid being \$76 million. Colonel Kumer commented that they felt the increases were due to the tariffs and the unknown costs of the materials.

Colonel Kumer said that in order to address the high estimates, they decided to work within the previously initial budget of \$39.9 million for construction, and reduce the scope of the project. He explained that there was a section of the jail that could not be completely torn down, so it was planned to be renovated as best as possible. He said that to meet the budget, they had decided to forego the renovation portion and focus on the expansion of the 1974 section. He noted that this section had not received significant renovation since 1974. He said that in 2000, a new section was added and the rest of the jail was supposed to be renovated; however, the contractor went bankrupt during the construction and only part of the existing jail building was renovated.

Colonel Kumer said that they could temporarily relocate the services that were currently housed in this area, as it had no food service, medical service, boilers, or major electrical equipment. He said that the building could be demolished, and those services could be relocated to the other side of the jail during construction. He stated that this would have no impact on security, services, or staff. He said that although the footprint of the building would remain the same, they would be adding 16,000 square feet with a second story.



Colonel Kumer stated that the expansion would also include a new public entrance, 12 new visitation areas, and 65 single beds designed to meet the 2018 Board of Correctional Standards. He said that the expansion will also feature three new outdoor recreation areas, one attached to each of the three new housing units. He said that additionally, the renovation will include video court space with holding areas for defendants, two mental health offices with group therapy rooms, two additional mental health community provider rooms, two purpose built mental health housing areas with 14 beds, one large inmate classroom and 14 additional office spaces for staff. He said that the entire renovation would be made with trauma-informed design.

Colonel Kumer said that the original scope was meant to renovate and reconfigure approximately 40,000 square feet. He said that the plan included installing new bar grates, replacing exterior windows, replacing toilets to meet 2018 standards, provide a new recreation area, and installing new lighting, HVAC, and plumbing. He said that however, the reduced scope of the renovation will now focus primarily on the HVAC system. He said that the total cost of the renovation, inclusive of design, engineering, and construction is \$49,227,000, which was not changed from the initial total.

Colonel Kumer stated that the General Assembly had already approved \$11.9 million in reimbursement, which will remain even with this reduced project scope. He said that they had also been in touch with the Board of Local and Regional Jails, which agreed that the reduced scope will not impact the 25% reimbursement from the state. He added that the project is still estimated to begin in 2025 and take approximately 28 months.

July 8, 2025

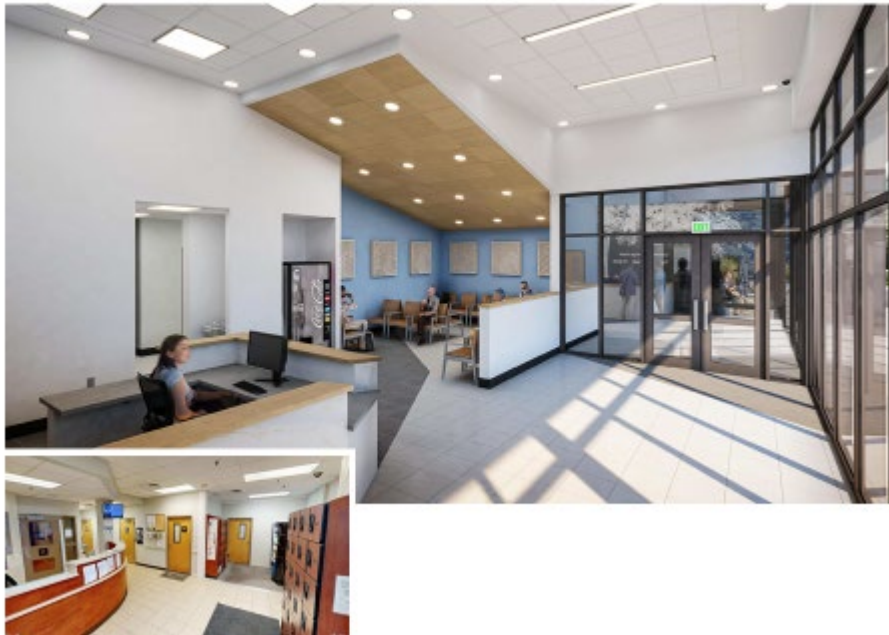
Colonel Kumer showed a new parking area and noted that a state law that took effect on July 1, 2025 requires separate secure parking and entrance for magistrates, so that was rolled into this project. He then provided some renderings to show what the expansion and renovations would look like at the jail.



NEW EXPANSION

Colonel Kumer showed the new rendering of the public lobby, along with a current photo in the lower left part of the slide. He noted that the current lobby did not have seating.

PUBLIC LOBBY



Colonel Kumer showed one of the new housing areas, the Special Management Unit. He also showed a photo of the current 1974 Special Management Unit in the lower left corner of the slide which had never received any updates.



Colonel Kumer also showed a photo of the one of the new cells, the mental health unit, an inmate classroom and the new expansion with the public entry. Colonel Kumer asked if the Board had any questions.

Mr. Rutherford said that it was unfortunate that economic circumstances had affected the aspirations they began with for this project; nonetheless, this still was a major step in the right direction to ensure that they provided adequate jail services for the community. He said that across the Commonwealth, he would continue to emphasize that their jail system was one of the best in the region.

Mr. Rutherford said that individuals with mental health issues in their facilities were receiving access to necessary services during crises, which was not always the case in other jails. He said that as part of this effort, they were cooperating with law enforcement, which sent a positive message. He said that this was a much-needed development. He clarified that Nelson County was not the sole contributor to this project, as they were sharing the costs with Albemarle and Charlottesville, so the costs were based on an average daily membership. He said that if Nelson's membership increased, so would their share of the costs, but this was averaged over a five-year period. He said that he believed this renovation was a necessary project for them to do.

Senior Vice President with Davenport & Company Roland Kooch stated that he would provide an update to the Board on the plan of finance, which they had discussed earlier this year in terms of the original scope of the plan. He explained that as they stood today, he would provide an update on the evolution of the plan, in connection with Colonel Kumer's update on the bidding process and the project's progress. He said that his presentation would discuss a couple of new developments that had occurred this summer, and in anticipation of the Board's consideration of the resolution of the support agreement.

Mr. Kooch said that to provide some background, he would like to remind the Board that Davenport worked with the County as a financial advisor, but they were present that evening in their capacity as an advisor to the Regional Jail Authority. He said that he would discuss the jail funding process and their approach to the two-part plan of finance. He said that they were currently in the second part of this plan, which included permanent financing and a grant anticipation note. He said that then he would discuss the timetable, update them on the funding, and discuss the budgetary and estimated cash flow impact.

Mr. Kooch said that they would see projected numbers that were shown on a conservative basis, and they anticipated the final financing to be better than what was currently presented. He explained that regarding the jail funding process, regional jails were eligible for 25% reimbursement of eligible costs for eligible capital portions of the construction project. He said that the Authority had completed the necessary steps, including fulfilling requirements with the Department of Corrections, undertaking a community-based corrections plan, and planning study to develop the cost estimate.

Mr. Kooch said that following the Board's approval, the request for the 25% reimbursement was included in the Governor's budget in 2023, and the Commonwealth had set aside the funds. He said that the reimbursement amount was approximately \$11.7 million, and they anticipated an additional cost of carry that would bring the total to \$12.25 million. He said that the two-part plan of finance was typically undertaken after the approval of the Commonwealth's 25% reimbursement, and they were currently finalizing the numbers at this point. He said

that the two parts of the plan consisted of part one, which was the interim financing, which was the 2023 bond anticipation of up to \$4.5 million, which provided interim financing for preliminary design and engineering bidding.

Mr. Kooch stated that currently, the amounts drawn on that to date were approximately \$3.3 million. He said that in this respect, interim financing was intended to be repaid by part two. He said that they were not adding on top of the \$4.5 million; instead, it was included in their permanent financing through the Virginia Resources Authority (VRA), as well as grant anticipation notes, to front the money for the Commonwealth's reimbursement. He said that at this point, they were in part two of the financing, and they knew the bids and the price would be scoped to meet the total overall budget of \$49.5 million.

Mr. Kooch said that additionally, part of the original component of this project was partially interim-financed and would be rolled into part two, which would result in a net overall budget of \$49.9 million. He reiterated that they were not adding to or increasing that overall budget number. He said that in part two, they were instead pursuing permanent financing through the Virginia Resources Authority, as well as undertaking a grant anticipation note to fund the Commonwealth's portion of the costs.

Mr. Kooch said that the ultimate repayment of this grant anticipation note would be repaid prior to maturity by the Commonwealth once the jail construction was complete and all necessary forms and proof of compliance were submitted to the Department of Corrections. He said that with respect to part one, this was closed in December 2023, and they obtained a bond anticipation note for \$4.5 million at 4.49% interest, which will be repaid with this permanent financing with VRA in the next several weeks as the bonds are issued.

Mr. Kooch said that part two consisted of two components: permanent financing and the grant anticipation note. He said that the grant anticipation note was an interim financing that anticipated being an amount equal to the Commonwealth's reimbursement plus interest. He said that they were working with the Treasury to size this based on the actual cost of funds anticipated on this grant anticipation note. He said that the permanent bonds, issued by the Virginia Resources Authority, would fund the remaining costs. He said that they had a sources and use statement included to show how that worked.

Mr. Kooch said that approximately \$12 million was funded by the grant anticipation note, and \$37 million was funded by the permanent bonds, totaling the \$49 million in total project costs. He explained that the 2025 Bond Anticipation Note (BAN) would be repaid with grant money received in full by the Commonwealth, and the permanent debt service that the local jurisdictions would be responsible for, with a percentage proportionate to their shares.

Mr. Kooch said that to provide an overview of the permanent financing, they had three basic opportunities: a direct bank loan via an article request for proposals process, which did not comply with their needs; a public market issuance with Authority standalone financing. He said that to clarify, the Authority itself would pursue a public bond rating and potentially issue bonds on its own. He noted that however, when they compared this to the Virginia Resources Authority, they found that the VRA was a suitable and advantageous conduit for this financing approach. He said that the VRA allowed them to access AA+ bond ratings without having to obtain a standalone rating from the Authority or each locality.

Mr. Kooch said that Charlottesville and Albemarle had their own ratings, but it did not require Nelson to acquire their own credit rating. He said that to achieve the lowest cost among the localities without going through a separate rating process, the VRA option was the most advantageous and therefore was pursued for this project financing. He said that typically, the structure of a transaction would be identical to one the Authority could pursue on its own, with a standard 10-year no-call period and no owner's reserve requirements.

Mr. Kooch said that in the case of grant anticipation notes, they had two options: a direct bank loan via a Request for Proposal (RFP) process, which the Authority could pursue independently, or a direct bank loan with VRA assistance. He said that they chose the first approach, leveraging the Authority's strong credit profile with their two triple-AAA rated jurisdictions, and Nelson County, even though not rated, was really strong in terms of metrics. He said that they received four bids under that approach, which would be presented to the Authority this week on July 10 for their consideration.

Mr. Kooch said that with respect to key assumptions, the numbers presented tonight were based on planning rates, assuming a grant anticipation note of \$12.1 million and a planning interest rate of 5%. He said that they were looking at approximately three years of extra time after construction to allow for finalization of the process. He said that they anticipated doing better on the actual bank proposals. He said that when looking at the 2025 bonds anticipated to be issued through the Virginia Resources Authority, it was estimated at \$37

million, and the estimated interest rate was approximately 5%, representing current market rates as of April 30, plus about 50 basis points or 0.5%.

Mr. Kooch said that the structure of the bonds was approximately 28 years, with two to three years of interest followed by 25 years of level debt service. He said that the allocation of debt service was based on FY 2026 allocations, with Albemarle at 44%, Charlottesville at 39.5%, and Nelson County at 16.3%. He said that they had previously presented this plan of finance in March of this year, and based on that presentation, they undertook significant work to submit the application and prepare for the summer pool.

Mr. Kooch said that at the same time, the Authority went through the bidding process and finalized its bid and scoping work to arrive at a project within the budget. He said that they met the application deadlines, and the Authority went through the construction bids. He said that from June 2 to June 10, they were supposed to present the local member jurisdictions for consideration of the support agreement, but that was postponed until after the Authority finalized the project to ensure the scope fit within the budget. He said that the Authority did undertake the approval of this resolution prior to the June 12 VRA deadline for placement in the summer pool.

Mr. Kooch said that tonight, the approval of this resolution for the consideration of the support agreement would put the localities in good shape for the grant anticipation and VRA bonds. He said that to balance this out, they undertook an RFP process to seek potential grant anticipation providers. He said that they had received the bids and would present them to the Authority Board on July 10 for consideration to proceed forward with the grant anticipation note. He said that based on that, they would size and work with VRA to determine exactly what they anticipated and projected to receive from the Commonwealth in terms of repaying the note.

Mr. Kooch said that they anticipated closing the grant anticipation note during the week of July 21, and VRA would close on its bonds the week of August 4. He said that at that point in time, the Authority would have all its money ready to go for the construction of the jail project. He said that looking at the debt service for both the note and the bonds, based on the planning rates and VRA's estimated cost of funds, from Fiscal Year 26 through 28, that was the construction period, and that was designed to be interest-only. He said that once they received reimbursement from the Commonwealth, that would cover the principal.

Mr. Kooch said that the bonds would also be interest-only during that time frame until the project was fully finished and placed in service, at which point they would convert to permanent, fully amortizing debt service with a 25-year repayment structure. He said that when analyzing the allocations based on the localities' share percentages, Nelson's share was about \$430,000 on a recurring basis. He said that in the appendix, the grant anticipation note was about \$12,250,000, and the bonds were about \$37 million. Factoring in all the bond issuance, He said that what they were really looking at was the project fund down the bottom, and then the BAN, which summed up to about \$49.3 million, fully financing the project cost.

Mr. Rutherford asked if the County had done something similar in the past. Mr. Kooch confirmed that yes, they had.

Mr. Rutherford moved to approve **Resolution R2025-51 Albemarle-Charlottesville Regional Jail Renovation Project Scope Update and Financing** as presented. Dr. Ligon seconded the motion. There being no further discussion, Supervisors approved the motion unanimously (4-0) by roll call vote and the following resolution was adopted:

RESOLUTION R2025-51

NELSON COUNTY BOARD OF SUPERVISORS APPROVING THE EXECUTION AND DELIVERY OF A SUPPORT AGREEMENT OR AGREEMENTS WITH THE ALBEMARLE-CHARLOTTESVILLE REGIONAL JAIL AUTHORITY FOR THE ISSUANCE BY SUCH AUTHORITY OF ITS JAIL FACILITY REVENUE BOND AND JAIL FACILITY GRANT REVENUE ANTICIPATION NOTES

WHEREAS, the Albemarle-Charlottesville Regional Jail Authority (the “Authority”) is a public instrumentality of the Commonwealth of Virginia created pursuant to Article 3.1, Chapter 3, Title 53.1, Code of Virginia of 1950, as amended (the “Act”) by resolutions duly adopted by the governing bodies of the County of Nelson, Virginia (the “County”), the County of Albemarle, Virginia (“Albemarle County”) and the City of Charlottesville, Virginia (“Charlottesville,” collectively, the “Member Jurisdictions”) for the purpose of renovating the regional jail (the “Regional Jail”) to be operated on behalf of the Member Jurisdictions by the Authority;

WHEREAS, the Authority and the Member Jurisdictions have entered into an Amended and Restated Service Agreement, dated June 9, 2022 (**the “Service Agreement”**), in which the Authority has agreed to, design, construct, renovate and equip the Regional Jail and obtain financing therefor;

WHEREAS, the Authority desires to issue its jail facility revenue bond in an estimated maximum aggregate principal amount of \$41,000,000 (**the “Local Bond”**) the proceeds of which, together with other available funds, are expected to be sufficient to finance and refinance the costs of the renovation and equipping of the Regional Jail (**the “Project”**);

WHEREAS, the Authority’s financial advisor, Davenport & Company LLC (**the “Financial Advisor”**) has advised the Authority that the Virginia Resources Authority (**“VRA”**), a public body corporate and political subdivision of the Commonwealth of Virginia, is willing to finance a portion of the Project at favorable rates to the Authority;

WHEREAS, VRA has indicated its willingness to purchase such Local Bond from a portion of the proceeds of its Series 2025B VRA Bonds (**as more particularly defined in the below-defined Local Bond Sale and Financing Agreement, the “VRA Bonds”**) and to provide a portion of the proceeds thereof to the Authority to finance a portion of the Project and pay certain costs of issuance of the Local Bond, in accordance with the terms of a Local Bond Sale and Financing Agreement to be dated as of a date to be specified by VRA, between VRA and the Authority (**the “Local Bond Sale and Financing Agreement”**);

WHEREAS, the Authority is expecting to receive a grant from the Commonwealth of Virginia (**the “Commonwealth Grant”**) as reimbursement of a portion of the “eligible costs” of the Project following completion of the Project;

WHEREAS, the Authority desires to issue its jail facility grant revenue anticipation note in an estimated maximum aggregate principal amount of \$12,500,000 (**the “Note”**) to be sold to a purchaser to be selected by the Authority, the proceeds of which, together with proceeds from the sale of the Local Bond are expected to be sufficient to finance a portion of the construction and renovation of the Project;

WHEREAS, VRA has indicated that its agreement to purchase the Local Bond will be conditioned upon each of the Member Jurisdictions undertaking non-binding obligations to appropriate from time to time moneys to the Authority in connection with payments due on the Local Bond and a similar agreement to purchase the Note by the purchaser thereof will require a similar non-binding obligation to appropriate;

WHEREAS, the Board of Supervisors (**the “Board of Supervisors”**) of the County has previously indicated its support of the financing of the Project and hereby desires to approve the issuance of the Local Bond by the Authority and to enter into such a Support Agreement evidencing such obligation (**the “Bond Support Agreement”**), the form of which has been submitted to this meeting and the issuance of the Note by the Authority and a support agreement, if required in such Note transaction (**the “Note Support Agreement”**), the form of which has been submitted to this meeting.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF NELSON, VIRGINIA:

1. The County hereby approves the issuance of the Local Bond and the Note as required under the Service Agreement. It is determined to be in the best interests of the County and its citizens for the Board of Supervisors to enter into the Bond Support Agreement regarding the Local Bond and a Note Support Agreement regarding the Note. The forms of the Bond Support Agreement and Note Support Agreement submitted to this meeting are hereby approved.
2. It is acknowledged that (i) VRA would not purchase the Local Bond without the security and credit enhancement provided by the Bond Support Agreement, (ii) VRA will be a third party beneficiary of the Service Agreement, and (iii) VRA is treating the Bond Support Agreement as a "local obligation" within the meaning of Section 62.1-199 of the Code of Virginia of 1950, as amended, including amendments thereto taking effect as of July 1, 2011 (**the “Virginia Code”**), which in the event of a nonpayment thereunder authorizes VRA or the trustee for VRA's bonds to file an affidavit with the Governor that such nonpayment has occurred pursuant to Section 62.1-216.1 of the Virginia Code. In purchasing the Local Bond, VRA is further relying on Section 62.1-216.1 of the Virginia Code, providing that if the Governor is satisfied that such nonpayment has occurred, the Governor will immediately make an order directing the Comptroller to withhold all further payment to the County of all funds, or of any part of them, appropriated and payable by the Commonwealth of Virginia to the County for any and all purposes, and the Governor will, while the nonpayment continues, direct in writing the payment of all sums withheld by the Comptroller, or as much of them as is necessary, to VRA, so as to cure, or cure insofar as possible, such nonpayment.

3. In consideration of the Authority's undertakings with respect to the financing plans of the Project, the Chairman or Vice-Chairman of the Board of Supervisors, either of whom may act, is hereby authorized and directed to execute and deliver the Bond Support Agreement and a Note Support Agreement. The Bond Support Agreement and the Note Support Agreement shall be in substantially the forms presented to this meeting, which are each hereby approved, with such completions, omissions, insertions or changes not inconsistent with this resolution as may be approved by the Chairman or Vice-Chairman of the Board of Supervisors, in their sole discretion, the execution thereof by the Chairman or Vice-Chairman of the Board of Supervisors to constitute conclusive evidence of his or her approval of such completions, omissions, insertions or changes.
4. The County Administrator is hereby authorized and directed to carry out the obligations imposed by the Bond Support Agreement and the Note Support Agreement on the County Administrator, and to take all proper steps on behalf of the County as may be required, in accordance with the plan of financing set forth above.
5. Nothing contained herein or in the Bond Support Agreement or the Note Support Agreement is or shall be deemed to be a lending of the credit of the County to the Authority, VRA or to any holder of the Local Bond or the Note or to any other person, and nothing herein contained is or shall be deemed to be a pledge of the faith and credit or the taxing power of the County, nor shall anything contained herein or in the Bond Support Agreement or the Note Support Agreement legally bind or obligate the Board of Supervisors to appropriate funds for purposes described in the Bond Support Agreement or the Note Support Agreement.
6. All actions previously taken by officials, representatives or agents of the County in furtherance of the plan of financing and issuance of the Local Bond and the Note are hereby ratified and approved.
7. This resolution shall take effect immediately.

V. ADJOURNMENT

At 7:46 p.m., Mr. Rutherford moved to adjourn the meeting. Mr. Parr seconded the motion. There being no further discussion, Supervisors approved the motion unanimously (4-0) by roll call vote and the meeting adjourned.