CAMPBELL COUNTY UTILITIES & SERVICE AUTHORITY
20644 Timberlake Road
Lynchburg, VA 24502

Minutes:	Regular Meeting March 24, 2026 at 5:00 pm
Place:	Authority Office 20644 Timberlake Road Lynchburg, VA 24502

A. CALL TO ORDER – Mr. Don Austin – Chairman - called the meeting to order at 4:58 P.M. with the Pledge of Allegiance and Mr. Lee led the meeting in Prayer.

A1. MEMBERS PRESENT

Don Austin, Chairman
James Marstin, Vice-Chairman (via teleconference)
Charlie Droog,
Carter S. Elliott. Jr.
Joe Kirkland
Robert Lee, III
Dan Richardson

A2. COUNTY REPRESENTATION & STAFF PRESENT

Matt Cline, Supervisors' Liaison (left at 6:30 for County Budget meeting)
Clif Tweedy, P.E., Deputy County Administrator (left at 6:30 for County Budget meeting)
Jeff Wells, P.E., Executive Director
Tim Wagner, P.E., Engineering Director
Josh Pribble, Field Operations Director
Wendy Meese, Finance Director
April Farmer, Technology Manager

B. CITIZEN COMMENT

Mr. Claude Harris was present and stated that he has lived in Campbell County since 1968 and is interested in what takes place at Authority meetings and issues happening in Campbell County.

Ms. Sandy Glass was present and stated that she has lived in every jurisdiction, other than Altavista, over the last 50 years and wants to learn more about what CCUSA does.

C. APPROVAL OF MINUTES

MOTION: Mr. Lee made a motion, seconded by Mr. Kirkland, that the Minutes of the February 24, 2026 Board Meeting be approved.

ACTION: Approved Unanimously.

D. ADMINISTRATION REPORT - Authority Staff

D1. FINANCIAL REPORT

Summary reports were distributed with the packet and more detailed reports are available upon request.

Year to date:

Revenues:	$ 6,296,920.29
Expenses:	$ 4,323,304.49
Budgeted Capital and Reserves	$ 1,884,000.00
Surplus/(Deficit) to date:	$ 1,973,615.80 $ 89,615.80
Total "Unencumbered"	**$ 2,806,093.28**

VENDORS

Permanent Vendors:

No permanent vendors were added this month and no final bills required refunds this month

No motion was required this month since there were no permanent vendors added.

D2. OPERATIONS REPORT

The Operations Superintendent's report was distributed and is available at the office for review.

Mr. Pribble reviewed the statistical and operation reports for February 2026 which are on file in the Authority office.

Treatment at the Otter River Water Plant increased 8.5 percent compared to last fiscal year. Sales to the East System have increased by 5.5 percent. Overall Central System retail sales have increased 8.3 percent compared to February 2025. Usage in Naruna decreased 18.5 percent from the previous year. Total CCUSA water reflected an increase of 7.9 percent to date for FY26 compared to FY25.

Treatment at the Rustburg Wastewater Treatment Plant (RWWTP) decreased 17.7 percent compared to last fiscal year. Wastewater sent to the City of Lynchburg for treatment increased 5.8 percent when compared to last February. The overall result was an increase in wastewater treatment of 4.4 percent compared to last fiscal year.

There were 11 new water connections serving 11 units for water and 10 new sewer connections serving 10 units sewer in the month of February 2026 compared to 2 new water connections serving 2 units of water and no new sewer connections in February 2025.

There were 65 disconnections for non-payment of bills in February compared to 42 in February 2025, which results in an overall decrease of 3.5 percent to date this fiscal year; 21 fewer cut-offs in FY26 to date when compared to FY25 through February 2025.

The Authority had 9,390 metered water connections serving 15,324 units and 3,402 sewer connections serving 6,182 units as of February 28, 2026.

There were 854 travel points during the month of February 2026, which was an average of 43 stops per workday. There were 221 meters replaced in the month of February 2026.

The Otter River was flowing at approximately 98 mgd on the meeting date and the record low on March 24th was approximately 79 mgd in 2002. The median flow for March 24th is 230 mgd.

D3. ENGINEERING REPORT

The Construction Activities Report was distributed and is available at the office for review.

80-2304 Martin Drive Regional Wastewater System

Contracts A and B are under construction. Contract C was advertised for bid on February 23, 2026. A pre-bid meeting was held on March 5, 2026 and the results of the bids that were received on March 12, 2026 will be discussed in Item E1.

Mr. Wagner stated that Camden Village, LLC is working to obtain their wetland credits required prior to laying the twin pipes through their portion of the project.

80-2306 Lynbrook Single Family Residential

The Contractor is performing testing of the on-site water and sanitary sewer lines.

80-2410 US 29 Waterline Relocation at Gladys Road

VDOT is working on this relocation but are currently focused on the storm sewer and the highway improvements prior to the waterline relocation.

80-2501 Holiday Inn Express – Wards Road

This project is under construction. The Contractor placed a dry tap into the 12-inch line to feed the motel from the backside of the property.

80-2601 Seneca Park Parcel 43-A-79 – Phase 1 Water and Sewer

This is a water and sewer extension to serve Blue Ridge Beverage. Counts & Dobyns is working to lay water and sewer lines.

General Questions:

In response to a question raised by Mr. Lee, Mr. Wagner stated that construction has slowed down. Statements have been made among developers that the multi-family market is over-saturated and that developers will work to fill existing housing prior to constructing new projects. New development is likely to move back towards single-family housing.

D4. DIRECTORS REPORT

The Director's Report was distributed and is available at the office for review.

1. Activities Calendar – Mr. Wells reviewed the activities calendar which is on file in the Authority office.

2. Next Board Meeting – Tuesday, April 28th at 5 p.m.

3. Telework Report – Mr. Wells reviewed the report on teleworking activities during the previous month. Said report is on file in the Authority office.

4. Edmunds GovTech Update – The go live date for Financials, Accounts Payable and - Inventory was December 4, 2025. Authority staff has worked through the final details and timelines for implementing the Billing, Work Order and Online payment modules and anticipate a go live date in April 2026. Coordinating Badger Meter with the billing system is the final step prior to implementation.

5. Legislative Update – The regular General Assembly session closed on March 14, 2026. The Governor has until April 22, 2026 to act on legislation. The Special Session begins April 23, 2026 to finalize the State budget and any other unfinished business.

   Mr. Wells stated that there are two bills that will have an impact on the Authority:

   HB 1143 Biosolids and PFAS Bill – This bill is being driven by the Chesapeake Bay Foundation. There is a similar bill making its way through the Maryland General Assembly. Mr. Wells stated this bill could indirectly impact the Authority because, while the Authority does not land apply biosolids, the Lynchburg Regional Wastewater Treatment Plant does, and the Authority will share in any operational or capital expenses incurred by the Regional Wastewater Treatment Plant to make adjustments driven by this bill.

   The City of Lynchburg will be testing their biosolids to determine current PFAS levels. If the bill passes, it will take effect in 2027 and the levels for the PFOA and the PFAS will be evaluated individually through 2029 but will be combined after 2029, which will become more stringent.

   HB 1263 Collective Bargaining – It is currently an option for localities to participate collective bargaining, but participations would no longer be optional if this bill passes; this bill would mandate participation in collective bargaining for public sector employees at the local level. Mr. Wells stated this bill is continuing to push forward despite heavy opposition; it is likely this bill will make it to the Governor.

6. Mandatory Sewer Connection Policy – A workgroup comprised of County and Authority representatives has been identified. Authority Board representatives and staff met on October 23, 2025 to review and discuss preliminary findings. Recommendations were discussed at the October Board meeting. In November, Authority staff met with County staff to review the recommendations and discuss next steps. Frank Rogers solicited feedback on the proposed Authority policy changes from the two Supervisors that are part of the workgroup and Mr. Charlie Watts had questions. After speaking with Mr. Wells on March 24, 2026, Mr. Watts finds the proposed changes to be acceptable. Mr. Wells stated he will contact Mr. Dowdy to discuss the proposed changes. Once confirmation is received, a revised mandatory sewer connection policy will be presented to the Authority Board for consideration, a future Board meeting.

   Mr. Elliott stated concern that the Authority will not be able to fund expansion projects if the Mandatory Sewer Connection Policy is changed. Mr. Wells stated that the committee made three recommendations for revising the current policy: 1) to defer the connection fee for system non-users; 2) to provide an exemption when the expansion project is developer-driven; and 3) to identify a funding mechanism between the Authority and Campbell County to help fund projects. Mr. Frank Rogers had a discussion with the Board of Supervisors during the budget preparation process, and the general consensus was favorable; however, the details of a collaboration need to be discussed further. Mr. Richardson stated that providing an analysis of how the collaboration would work to fund the deficit would be beneficial for the discussion process with the Board of Supervisors. Mr. Wells stated it is easier to discuss a specific project, such as the Martin Drive Pump Station Project, than it is to discuss generalities. Mr. Wagner stated that the mandatory sewer fees would provide $444,000 (if everyone connected) towards funding the Martin Drive Pump Station Project. In response to a question raised by Mr. Elliott, this issue was communicated to Mr. Rogers when the Martin Drive Project was being discussed, but the County had more pressing issues at the time. Mr. Elliott stated that it will be important for the Authority to get a commitment from the County if the third option is considered. In response to a question raised by Mr. Austin, the current Mandatory Sewer Connection Policy will still apply until the Authority makes changes. There are approximately 18 months to reach a decision before the Mandatory Sewer Policy will have an impact on the Martin Drive Pump Station Project.

7. Wastewater Master Plan – Staff met with representatives from RK&K on Monday, March 16, 2026, to review preliminary information on the Wastewater Master Plan. A draft report should be received in the next 30 days. Mr. Wells stated that sewer projects are expensive, and the Authority will be facing capacity issues especially in the Route 29 corridor. Once the report is received, it will be shared with the Authority Board.

8. Water Production & Wastewater to COL – Mr. Wells reviewed charts for water production and connections as well as the amount of wastewater that is sent to the City of Lynchburg (COL) and connections through 2025. The Authority continues to experience strong growth. If historical growth rates continue, the Authority will need to start planning for upgrades at the Otter River Water Treatment Plant (WTP) around 2033. In response to a question raised by Mr. Lee, the Authority can increase the draw from the Otter River one more time, so if the WTP increases capacity in 2033, the WTP will be at maximum capacity. The Authority has the equipment to treat more water than the Otter River can give. There is money in the FY27 Budget to perform a Water Master Plan.

If historical growth rates continue for sewer connections, it is projected that the Authority will reach approximately 80 percent of capacity in the Lynchburg Regional Water Resource Recovery Facility (Regional WWTP) around 2038. Once the Authority reaches 80 percent capacity, this will trigger the need for a plan to increase capacity in the Regional WWTP or determine another option. In response to a question raised by Mr. Droog, the City has 22 mgd of capacity in the Regional WWTP but is currently treating 12 mgd. The Authority also has the option to purchase capacity through Bedford Central WWTP or the Amherst County Service Authority. In response to a question raised by Mr. Kirkland, when the Authority purchases additional capacity in the Lynchburg Regional WWTP, its share of the capital expenses will increase as well, so the Authority does not want to purchase capacity until necessary.

9. Summary of Regional Rates & Fees – The annual summary of updated rates and fees from neighboring localities was reviewed and is on file in the Authority office.

   The 2025 Water and Wastewater Rate Report was presented for the Board's review, consideration, questions, and comments. The following eight entities were compared in this analysis: the Town of Altavista, **Amherst County Service Authority**, the Town of Amherst, the Town of Appomattox, **Bedford Regional Water Authority,** the Town of Brookneal, the City of Lynchburg, and **Campbell County Utilities and Service Authority**. The entities listed in bold print are political subdivisions that operate without tax revenue. Mr. Wells noted that CCUSA was the only entity that did not increase rates and/or fees since this comparison was presented in 2025.

   When comparing overall recurring water and sewer fees (base charge and usage rate), there were three entities with monthly charges lower than the Authority; however, all three of these entities are likely subsidized with General Fund Revenue. Of the entities that rely solely on rates and charges, CCUSA charges the lowest monthly fees. CCUSA is the third lowest base fee for water and sewer.

   When comparing water commodity and base rates only, the Authority had the fourth lowest rate; the Town of Altavista, the City of Lynchburg, and the Town of Appomattox had lower sewer commodity rates than the Authority. Some of the entities that are possibly subsidized by General Fund Revenue charged more monthly than the Authority. The monthly fees range from $28.00 to $68.05 with CCUSA being $41.60. In response to a question raised by Mr. Kirkland, the Authority does not include any water usage in the Base Fee. Mr. Wagner stated that some of the Towns may include some water usage in the Base Fee, but the political subdivisions do not include water usage in the Base Fee.

   When comparing sewer commodity and base rates only, the Authority had the third lowest rate; the Town of Brookneal and the Town of Altavista had lower sewer commodity rates than the Authority. The Town of Amherst was lower than the Authority; however, the Town of Amherst is now $15.09 higher per month than the Authority when isolating sewer rates. Some of the entities that are possibly subsidized by General Fund Revenue charged more monthly than the Authority. The City of Lynchburg's sewer rates are $7.21 higher per month than the Authority. The monthly fees range from $20.02 to $92.66 with CCUSA being $50.60.

   The Authority has the third lowest Account Establishment Fee. The fees range from $0 to a $575, which is likely a portion of the higher fees being a deposit that may be returned to the customer when the account is finaled. The Authority has not changed the Account Establishment Fee for 14 years. Mr. Wells stated the Account

Establishment Fee is meant to cover the cost of Maintenance staff time and wear and tear on the Authority vehicle to go to the customers residence and collect a beginning reading for billing and reconnect the service. It is possible that Maintenance staff will have to visit the property more than once if there is water running inside the residence and there is no one home to turn the water off. The Fee is currently $25. There is also $25 that is used to offset customers that leave without paying their final bill.

The Authority increased Water and Sewer Connection Fees as well as Water and Sewer Capital Recovery Fees in FY25. CCUSA is the lowest on initial fees for water but is the highest on initial fees for sewer. The only entity that is higher on combined fees than the Authority is Bedford Regional Water Authority. Even with the recent increase, the Authority is still not covering the cost of materials in Connection Fees alone. The Authority is the only entity that charges a Sewer Capacity Fee. Funds collected for the Sewer Capacity Fee will be used to offset the cost of increasing capacity in the Lynchburg Regional Wastewater Treatment Plant and throughout interceptors in the City of Lynchburg. This fund will also be used to offset future sewer infrastructure costs. Prior to FY25, the Authority's last water and sewer Capital Recovery Fee and Connection Fee increases were January 1, 2010.

10. Evaluation of Connection Fee Charges & Costs – Connection fees were adjusted in 2024. Our costs to connect new customers to our system continues to increase. It has been Authority practice to keep connection fees as low as possible and also cover the majority of costs associated with making the connection. Mr. Wells reviewed an evaluation that compares actual cost to both our water and sewer connection fees, which is on file in the Authority office.

    The average current cost for a residential water connection is $2,845, but the Authority's current Water Connection Fee is $2,250. The current cost for a commercial connection for a 1-inch meter is $3,440, but the Authority's Connection Fee for a 1-inch meter averages $3,150. It was noted that the Authority has very few connections each year outside of a developer extension with the construction of the extension being the financial responsibility of the Developer.

    The average current cost for a residential sewer connection is $5,061, but the Authority's current Sewer Connection Fee is $2,850. The current cost for a force main connection averages $3,007, but the Authority's Connection Fee is $2,850. The number of sewer connections made outside of Developer construction is much fewer than the number of water connections.

    Mr. Wells noted that the Authority charges higher initial fees than the other entities in this area, which makes it difficult to increase these fees, especially considering there are so few connections per year. In response to a statement made by Mr. Kirkland, Mr. Wells confirmed that Authority staff had requested a larger increase in 2024, but the Board wanted the increase to be more modest. Mr. Kirkland stated another increase should be made to close the gap between the cost of installing new services and the Connection Fee so that the Authority will not lose money on new connections, regardless of how many there are throughout the year.

11. Evaluation of Capital Recovery and Capacity Fees – Since around 1987, the Authority has collected Water and Sewer Capital Recovery Fees and a Sewer Capacity fee was initiated in 2008. These fees provide financial resources to offset the costs associated with making the capacity available and, in the future, add capacity to the system as new users that will utilize existing capacity. The Authority will need to increase capacity in the Dreaming Creek Interceptor with the City of

Lynchburg, which will be a multi-million-dollar project. It will be beneficial to the Authority customers if the Authority does not have to finance this project. Mr. Wells reviewed an evaluation utilizing both an annual increase tied to the Construction Cost Index and a Buy-in methodologically provided in AWWA publications. Said analysis is on file in the Authority office.

12. Budget Discussion – This time is for discussion on the budget, rates and fees and identify any action needed prior to finalizing the budget. Key points are as follows:

Ms. Meese thanked Mr. Lee and Mr. Richardson for their time participating in the review of the FY27 Budget requests. The following points were presented by the Budget Committee:

- The FY27 projected deficit is approximately $500,000
- Operational expenses are expected to increase 9.5 percent, but staff is prepared to offset this increase by reducing the Capital Budget by 16.1 percent, resulting in an overall increase in FY27 expenses of 4.7 percent.
    - The Authority has had Maintenance expenses higher than expected in FY26, so adjustments have been made to the FY27 in response.
    - The City of Lynchburg is increasing their water rates 13 percent and their sewer rate 5 percent in the upcoming year.
    - Chemicals for the WTP increased 16 percent when bid in February 2026.
    - The Authority has received notice from one of its electric service providers to expect a 30 percent increase in the cost of electric services in FY27.
    - Capital demands on the City of Lynchburg have an impact on the Authority, and FY27 anticipated payments have increased more than $100,000 from FY26.
    - There is a $50,000 placeholder to address the odor issue at Liberty University.
    - Banking expenses are being negotiated with First Citizens.
    - The cost of living for staff is 3 percent and there are 11 staff members advancing to the next step in FY27. This is the highest number of advancements in any one year since the step system was adopted. The Authority currently has several new employees and new employees advance to new steps early in their employment as they are gaining knowledge in their field.
- Authority staff is expecting development to decline and is expecting a drop in interest rates in FY27, resulting in a decrease of 1.4 percent projected revenues
- The Authority needs to depend less on Capital Recovery Fees to support capital projects, as the system develops or in a harsh economic climate, the Authority may not have revenue from new connections but will still have the need to maintain existing infrastructure.
- The Naruna system is expected to have a deficit in FY27 mainly due to a reduction in revenue from Georgia Pacific, the sole user of the Naruna system; Authority staff is researching the ability to adjust rates for Georgia Pacific to offset upcoming maintenance expenses.
- Revenue from rates and base fees fund operations but can only fund a small portion of capital maintenance projects. Over time the Authority should build enough to fund baseline capital maintenance projects.
- The Authority's base fees are well below what other utilities charge. Increasing base fees over time would provide more stable revenue.

13. Recommendations on Rates & Fees – Staff reviewed the current cost of connections for both water and sewer. Staff also looked at options for adjustments to the capital recovery fees and sewer capacity fees.

The Authority is expecting a $4.6 million expense from 2026 through 2028 for a shared project with the City to upgrade capacity in the Dreaming Creek Interceptor (discussed further in Item E2).

After discussion, the following rates and fees will be advertised for Public Hearing on April 21, 2026:

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that a public hearing will be held by the Campbell County Utilities and Service Authority Board on April 21, 2026, at 6:00 p.m., or as soon thereafter as may be heard, at the Authority Office, 20644 Timberlake Road, Lynchburg, Virginia 24502 to receive public input on these proposed changes to rates and fees which would increase Water and Sewer Usage Rates and Base Fees effective for bills rendered on or after July 1, 2026. Sections 15.2-5114 and 15.2-5136, of the Code of Virginia, 1950, as amended, provide the requisite legal authority to enact the proposed increases. The proposed amounts of the increases are shown as follows:

Water Usage Rates:
Usage charge per hundred cubic feet (hcf) of consumption from $4.95 to $5.40

Sewer Usage and Sewer Only Rates:
Volume charge per hundred cubic feet (hcf) of consumption from $6.45 to $7.10
Accounts deemed "sewer only" bi-monthly rate from $79.50 to $90.00

Water Base Fees:

Service Size	Bi-monthly Charge
3/4" X 5/8" Meter	From $17.00 to $ 19.00
1" Meter	From $23.00 to $ 26.00
1-1/2" Meter	From $37.00 to $ 42.00
2" Meter	From $56.00 to $ 63.00
3" Meter	From $111.00 to $124.00
4" Meter	From $164.00 to $183.00
6" Meter	From $270.00 to $302.00
8" Meter	From $403.00 to $450.00

Sewer Base Fees:

Service Size	Bi-monthly Charge
4" Sewer Service	From $15.00 to $19.00
6" Sewer Service	From $33.00 to $42.00
8" Sewer Service	From $55.00 to $70.00
10" Sewer Service	From $63.00 to $80.00
12" Sewer Service	From $90.00 to $114.00

The following fees only apply to new customers

Account Establishment Fee:

New Customer Fee from $50 to $75

Capital Recovery Fee - Water:

Usage charge per equivalent residential unit (ERU) of usage from $2,850 to $3,000

Capital Recovery Fee - Sewer:

Usage charge per equivalent residential unit (ERU) of usage from $3,300 to $3,600

Sewer Capacity Fee:

Usage charge per equivalent residential unit (ERU) of usage from $2,625 to $2,800

As of March 30, 2026, a date prior to the first publication date of this notice, the full text of the proposed changes to rates and fees and any additional documentation concerning the said proposed increases will be available for public inspection and review during normal business hours (Monday-Friday, 8:30 a.m. to 5:00 p.m.) in the Office of the Campbell County Utilities and Service Authority, 20644 Timberlake Road, Lynchburg, Virginia 24502. All persons are invited to attend the said public hearing to express their views concerning the proposed increases in rates and fees. Questions and/or comments concerning this matter should be directed to Mr. Jeffrey Wells, Executive Director of the Campbell County Utilities and Service Authority, at (434) 239-8654 or jwells@ccusa-water.com.

MOTION: Mr. Lee made a motion, seconded by Mr. Droog, that the fees be advertised as discussed.

ACTION: Approved Unanimously.

E. BOARD ACTION ITEMS

E1. Martin Drive Wastewater Project – Contract C.

The Authority took bids on Martin Drive Wastewater Project – Contract C on March 12, 2026. The project was advertised on the Authority website, Hurt & Proffitt's website, Virginia's eVA procurement website, the Dodge Plan Room, and Valley Construction News. Four bids were received as follows:

Contractor	Concrete Foundations, Inc.	Toney Construction, Inc.	Aaron J. Conner, General Contractor, Inc.	E. C. Pace Company, Inc.
Base Bid	$2,758,583	$3,302,460	$2,673,279	$2,122,482

This is the third contract for the Martin Drive Regional Wastewater Project. Contract A (WWPS) and Contract B (Parallel gravity sewer and force main from WWPS to Farfields Dr.) are currently under construction. Contract C will extend an 8-inch gravity sewer from Farfields Dr. to Whitestone Dr. and will allow decommissioning of the existing Whitestone Village WWPS, one of CCUSA's oldest WWPS. Mr. Wagner stated the Whitestone Village WWPS is approaching 40 years of being in service.

Authority staff recommend that the Board award the construction contract for Martin Drive Wastewater Project – Contract C to E. C. Pace Company, Inc. (E. C. Pace) in the amount of $2,122,482. Mr. Wagner stated that the Authority has had positive experiences when working with E. C. Pace in the past and that E. C. Pace is a reputable company.

MOTION: Mr. Elliott made a motion, seconded by Mr. Richardson, to award the Construction Contract for the Martin Drive Wastewater Project – Contract C to E. C. Pace Company, Inc. in the amount of $2,122,482.

ACTION: Approved Unanimously.

E2. Dreaming Creek Interceptor – Memorandum of Understanding between the Authority and the City of Lynchburg.

To accommodate growth in the Dreaming Creek, Martin Drive, Leesville Estates, Trent's Landing, and future Cattail Branch sewersheds, CCUSA needs to obtain additional capacity at Connection Point C-3, where the CCUSA portion of the Dreaming Creek Interceptor connects to the City of Lynchburg portion of the Dreaming Creek Interceptor. As such, the Authority approached the City of Lynchburg to increase the Authority's peak capacity at Connection Point C-5 to a total of 2.52 MGD. The current peak capacity at Connection Point C-5 is 0.77 MGD. This should accommodate the flow at Connection Point C-5 for a least a 50-year window. Mr. Wagner stated that DEQ recommends looking at a 50-year window for sewage collection projects. The age of the interceptor is approaching 50 years.

The Authority is responsible for 55.88% of the costs of the needed upgrades to the existing Dreaming Creek Interceptor in the City and the City is responsible for 44.12% of the costs. This number may vary slightly based on the final design, of which the Authority has review rights. This equates to an estimated cost of $5,129,401.33 for the Authority. Of this amount, the Authority is responsible for $335,254.99 in estimated design fee, to be paid in 12 monthly installments of $27,937.92 plus an estimated reconciliation payment of $167,627.49. Once the project goes to construction, the Authority is responsible for $4,078,935.70 in estimated construction costs, to be paid in 18 monthly installments of $226,607.54 plus an estimated reconciliation payment of $547,583.15.

In response to a question raised by Mr. Kirkland, this project will use funds from the Sewer Capacity Fee line item that has approximately $3.5 million as of the meeting date. A portion of these funds are currently invested, but Authority staff will evaluate maturities to ensure funds are available when needed. Payments for this project will be spread over a 2-year period, with the Authority continuing to collect Sewer Capacity Fees. The Authority will also use Reserves, if necessary. Mr. Kirkland stated that it appears that the Authority has adequate reserves until a project of this nature arises. Mr. Wells reviewed an analysis that estimates the drawdown of the Sewer Capacity Fees with a deficit of approximately $1.6 million that will be taken from Reserves. Mr. Richardson and Mr. Kirkland stated the Authority needs to increase reserves to be able to fund this project without issuing a bond.

Authority staff recommended that the Board execute the Dreaming Creek Interceptor Memorandum of Understanding (MoU) to accommodate planned growth in the Dreaming Creek, Martin Drive, Leesville Estates, Trent's Landing, and future Cattail Branch sewersheds. The Cattail Branch sewershed is located between Waterlick Road and Liberty University. The MoU has been reviewed by the Authority's legal counsel and the legal counsel for the City of Lynchburg.

MOTION: Mr. Richardson made a motion, seconded by Mr. Droog, to authorize the Authority Chair to execute the Dreaming Creek Interceptor Memorandum of Understanding.

ACTION: Approved Unanimously.

E3. New Parking Spaces

Parking spaces are limited for Authority staff and becomes more problematic for meetings and training events. The gravel area near the flagpole used to have shrubbery but the shrubbery was removed due to disease. Staff has developed a plan to convert this area to parking which will provide two additional parking spaces. TCI has quoted $12,000 to demo the area, prepare and pave two new parking spaces, and extend the concrete sidewalk and curb. Funding is available from savings on the PayGo line item from the City of Lynchburg in the FY26 budget. When preparing the FY26 Budget, the contact with the City of Lynchburg had estimated $60,000 for the Authority's share of City of Lynchburg capital projects; however, some of the projects did not come to fruition, resulting in a PayGo payment of less than $10,000 for FY26.

Authority staff recommended that the Board authorize staff to utilize the identified funding to proceed with the project to add two new parking spaces in the amount of $12,000. Mr. Elliott stated he could not support this project because the FY26 Budget is tight and any savings from FY26 should be used to offset the deficit for FY27. Mr. Kirkland wondered if there could be additional parking spaces created elsewhere on Authority property. Mr. Droog stated that he works in the office during cut-off day, and parking is limited.

MOTION: Mr. Droog made a motion, seconded by Mr. Lee, to use the identified funding to proceed with the project to add two new parking spaces in the amount of $12,000.

ACTION: Approved 5-2, with Mr. Elliott and Mr. Richardson voting in the negative.

E4. New 300 HP Finished Water Pump Motor

Recently two of the 300 HP motors at the WTP were sent off for repairs. After an evaluation it was determined that it would not be cost effective to rework the motors and new ones should be purchased. The FY27 Capital Projects includes the purchase of one motor, but due to the critical nature, staff believes it is necessary to purchase one to have as a backup. Sydnor Hydro, Inc has quoted $36,000 for a new premium efficiency 300 HP motor. Funds from the PayGo line item for the City of Lynchburg in the FY26 budget will be used to fund this purchase.

Authority staff recommended that the Board authorize staff to utilize the identified funding to proceed with the project to purchase a new premium efficiency 300 HP motor in the amount of $36,000.

MOTION: Mr. Elliott made a motion, seconded by Mr. Kirkland, to use the identified funding to proceed with the project to purchase a new premium efficiency 300 HP motor in the amount of $36,000.

ACTION: Approved Unanimously.

F. MATTERS FROM THE BOARD

No items were discussed.

H. ADJOURNMENT

MOTION: Mr. Elliott made a motion, seconded by Mr. Droog, that the Authority meeting be adjourned at 7:05 p.m.

ACTION: Approved Unanimously.

UPON MOTION by Mr. Lee, seconded by Mr. Droog, these minutes are approved this 28th day of April, 2026, with 6 of 7 members of the Campbell County Utilities and Service Authority in attendance at time of vote.

ATTESTED: CERTIFIED BY:

Chairman, Campbell County Utilities & Service Authority

Secretary, Campbell County Utilities & Service Authority