At an adjourned meeting of the Board of Supervisors, Alleghany County, Virginia held on Tuesday, June 16, 2026 at 6:00 p.m. in the Alleghany County Governmental Complex, Covington, Virginia, thereof:

PRESENT:	G. Matt Garten, Chairman James M. Griffith, Vice-Chairman Stephen A. Bennett S. Miller Brantley Shannon P. Cox Courtney F. Howard Cletus W. Nicely
and	Ken McFadyen, County Administrator Suzanne T. Adcock, Director of Finance Jonathan Fitch, Director of Public Safety Joe Hubble, Director of General Services Beverley Bowers, Deputy Director of Public Works Jim Guynn, County Attorney Melissa A. Munsey, Deputy Clerk to the Board

CALL TO ORDER:

The Chairman called the adjourned meeting to order.

PUBLIC HEARING - FY27 SEWER RATES FOR THE TOWN OF CLIFTON FORGE AND THE TOWN OF IRON GATE:

Public Hearing was held to consider, pursuant to Sections 15.2-107 and 15.2-2122 of the Code of Virginia, 1950, as amended, and agreements between the parties, the possible adoption of sewer rates for the Town of Clifton Forge and the Town of Iron Gate as follows:

	FY 2027 Rate
Clifton Forge	$3.79 / $1,000 gals.
Iron Gate	$18,792.28 per month

The Chairman announced that this public hearing was advertised in the Virginian Review on Wednesday, June 3, 2026 and Wednesday, June 10, 2026 in accordance with the Code of Virginia. He then called the public hearing to order.

Mr. Garten stated that there is a memo in the agenda packet and the rates have been discussed in budget work sessions. The memo is as follows:

> *Listed below are the revised bulk rates for sewer service for the Town of Clifton Forge and the Town of Iron Gate due to contractual increase for Environmental Systems Services. The calculations are based on the following: debt service initiation, three year rolling average flows, and O&M costs for the LJRWWTP. Following is the result of these calculations and how the bulk rate will change:*
>
> ***Clifton Forge Sewer Bulk Rate***
> *FY 26-27 $3.79/1,000 gallons*
>
> ***Iron Gate Sewer Bulk Rate***
> *FY 26-27 $18,792.28/month*

Mr. Garten added that this is a decrease in the rate for Clifton Forge (was $3.88/1,000 gallons) and an increase for Iron Gate (was $15,013.82 per month).

There being no one else who wished to speak, the Chairman declared the public hearing closed. He stated that action will be taken at the Board's June 25th adjourned meeting.

PUBLIC HEARING - AMENDMENTS TO CH. 62 "WATER, SEWER, AND SEWAGE DISPOSAL" OF THE COUNTY CODE (WATER AND SEWER RATES):

Public Hearing was held to consider amendments to Chapter 62-Water, Sewer and Sewage Disposal of "The Code of the County of Alleghany, Virginia" in Section 62-71 - Rates to increase water and sewer rates effective July 1, 2026. The water rate, sewer rate, and sewer only rate would each increase $2.00. The overage rate would increase by $0.50 per 1,000 gallons for water and $0.50 per 1,000 gallons for sewer. The deposit amounts would also increase for owners and tenants in Sec. 62-140.

The Chairman announced that this public hearing was advertised in the Virginian Review on Wednesday, June 3, 2026 and Wednesday, June 10, 2026 in accordance with the Code of Virginia. He then called the public hearing to order.

Mr. Nicely stated that he has a problem with increasing $2.00 each for water and sewer. He commented that it has increased $1.00 each for a number of years and the loss of water is not being covered.

Mr. Garten mentioned that the $2.00 increase would only cover operational costs due to the increase in the cost of goods and not infrastructure work.

Mr. Griffith handed out and read a prepared statement. He also had a draft "Alleghany County Water and Wastewater Infrastructure Support Policy" at each seat. Both documents are a part of the records of this meeting. He read the statement which is as follows:

Statement for Board Discussion

Mr. Chairman and members of the Board:

I am not here tonight to criticize previous Boards, previous administrators, or previous department heads.

What concerns me is where we are today and where we go from here.

Over the last several months, we have learned that our water and sewer infrastructure needs are substantially larger than many people understood. We have aging infrastructure, portions of the system are approaching or exceeding 100 years old, and engineering estimates that have grown dramatically over time.

My concern is not the proposed $2 increase by itself. My concern is that we continue to address a multi-million dollar infrastructure challenge with annual rate increases that do not appear capable of solving the underlying problem.

If the long-term needs are measured in tens of millions of dollars, then we owe it to our citizens to have a public discussion about a long-term strategy.

I believe we need answers to several questions:
What is the total infrastructure liability we face?
What projects are mandatory?
What projects can be phased?
What grants are available?
What partnerships are available?
What portion should be supported by user rates?
What portion supports broader economic development, public institutions, schools, healthcare facilities, and commercial growth?
And should some portion of those costs be considered a countywide responsibility rather than solely a ratepayer responsibility?

I am not suggesting that the General Fund should pay all utility costs. I am suggesting that we have an honest discussion about whether infrastructure that supports economic development, industry, schools, healthcare, housing growth, and county tax revenues should be funded entirely by a relatively small number of utility customers (@ 2,800 rate payers).

Before we continue down the same path, I believe this Board should commit to developing and presenting a long-term public financing plan that identifies how we intend to address these infrastructure needs over the next 5, 10, and 20 years.

Our citizens deserve more than another rate increase. They deserve a plan. Thank you.

There being no one else who wished to speak, the Chairman declared the public hearing closed. He stated that action will be taken at the Board's June 25th adjourned meeting.

PUBLIC HEARING - TAX RATE FOR TAX YEAR 2026:

Public Hearing was held to reenact the existing tax rate of 49 cents per $100 of assessed value on real property and mobile homes for the tax year 2026 and to reenact at the existing rate the levy of two dollars and ninety-eight cents ($2.98) per $100.00 of assessed value on tangible personal property (including machinery and tools segregated by Section 58.1-3507, Code of Virginia) located in the County on January 1, 2026 and the respective levies being also applicable to the real estate and tangible personal property of public service corporations.

The Chairman announced that this public hearing was advertised in the Virginian Review on Wednesday, June 10, 2026 in accordance with the Code of Virginia. He then called the public hearing to order.

Mr. Garten stated that the tax rates would remain the same.

There being no one else who wished to speak, the Chairman declared the public hearing closed. He stated that action

will be taken at the Board's June 25th adjourned meeting.

PUBLIC HEARING - FY 2026-27 COUNTY OPERATING BUDGET:

Public Hearing was held to consider the proposed FY 2026-27 budget for the year beginning July 1, 2026.

The Chairman announced that this public hearing was advertised in the Virginian Review on Wednesday, June 10, 2026 in accordance with the Code of Virginia. He then called the public hearing to order.

The budget was advertised as follows:

The following budget synopsis was prepared and published for information and fiscal planning purposes only. The inclusion in the budget of items does not constitute an obligation or commitment to appropriate any funds for that item or purpose. The budget has been prepared on the basis of the estimates and requests submitted by the Officers and Department Heads of this County. There are no allocations of any County funds for any purpose until appropriation for that purpose has been made by the Alleghany County Board of Supervisors.

EXPENDITURES		
General Operating		$47,652,605
School Operating		48,485,436
Public Safety Equip. and Vehicles		360,000
Career EMS		804,228
Law Library		4,500
Special Law		53,500
Drug Asset Forfeiture - Sheriff		8,500
Courthouse Security		263,639
Drug Asset Forfeiture - Com. Atty.		4,000
Sheriff - County Code Enforcement		48,313
Capital Improvement Program		811,521
Special Welfare		80,000
AHEDC		262,720
Water & Sewer Capital		0
Water & Sewer Operating		5,688,894
	TOTAL EXPENDITURES	**$104,527,856**
REVENUES		
General Operating ($45,991,524):		
Local (66%)		$30,354,406
State (30%)		13,797,457
Federal (4%)		1,839,661
School Operating		48,485,436
Public Safety Equip. and Vehicles		360,000
Career EMS		804,228
Law Library		4,500
Special Law		53,500
Drug Asset Forfeiture - Sheriff		8,500
Courthouse Security		263,639
Drug Asset Forfeiture - Com. Atty.		4,000
Sheriff - County Code Enforcement		48,313
Capital Improvement Program		0
Special Welfare		80,000
AHEDC		262,700
Water & Sewer Capital		0
Water & Sewer Operating		5,688,894
	TOTAL REVENUES	**$102,055,254**
General Operating Fund Balance		1,661,081
CIP Fund Balance		811,521
		$104,527,856

Mr. Garten stated that there is a budget summary in the agenda packet.

Mrs. Cox commented that she missed the last work session and asked if there was anything significant that changed. Ms. Adcock replied that staff had proposed going up on the tax rate to $0.50, but the Board did not want to increase the tax rate and the budget was adjusted accordingly.

Mr. Brantley asked if Mr. Griffith's suggestion earlier would change the budget (utilizing the general fund for the water/sewer fund). Mr. Griffith replied that it could change the budget by picking up debt service and giving relief to Public Works.

Mrs. Howard commented that she understood that it is an Enterprise Fund and if the general fund is used then how would it be paid back.

Mr. Griffith stated that what he also placed at each seat is a draft water and wastewater infrastructure support policy which was mirrored from the Henrico County policy. He mentioned that the County benefits from public water and sewer (i.e., Love's, ARH, etc.) and collect taxes from them. He commented that a portion of those taxes could be used for infrastructure. He stated that even though the County's general policy is to not use the general fund the County would not have those revenues if we did not have water and sewer in Low Moor, at the college, etc. He mentioned that 10-15% of general fund revenue could cover debt service for Public Works. He commented that staff is working on some grants, but the leaks keep running.

Mr. Garten commented that he agrees with the concept, but is not sure we can proceed with the policy tonight and our attorney is not present.

Mr. Griffith mentioned that the Board could hold a work session and adopt a policy later. He mentioned that Henrico County has had this policy for a number of years and it is worth the time to look into it further. He commented that grants may not be awarded and the County needs the money now. He stated that other localities also have similar policies.

Mr. Garten stated that he would like to see what Henrico County did to off-set capital improvements and how they have it structured as the Board can not adopt anything tonight.

Mr. Griffith commented that the first payment made would need to be to debt service and then move on to capital improvements.

The Board agreed by consensus to hold a work session at a later date on the proposed policy and to invite someone from Henrico County and/or other areas with a similar policy to the work session to explain the process a bit more.

There being no one else who wished to speak, the Chairman declared the public hearing closed. He stated that action will be taken at the Board's June 25th adjourned meeting.

DISCUSS AMENDMENTS TO TRANSFER STATION FEES (TIPPING FEE AND COMMERCIAL TIRE DISPOSAL FEE):

Mr. Garten stated that there is a memo in the agenda packet regarding a proposed increase to the tipping fee from $85.00/per ton to $87.55/per ton for contractors, Covington and Bath County, as well as an increase for commercial car tires from $4.00 to $5.00. He stated that action will be taken at the Board's June 25th adjourned meeting.

DISCUSS AMENDMENTS TO THE CLASSIFICATION PAY PLAN (COST OF LIVING INCREASE):

Mr. Garten stated that there is a chart in the agenda packet showing the salary ranges with a 2% increase for each position. He commented that action will be taken at the Board's June 25th adjourned meeting.

Mr. Brantley asked how the scale was created. Ms. Adcock replied that the scale system was created several years ago and when there is a cost of living increase then the scale increases. She mentioned that they are reviewing responses to a recently issued Salary Study RFP and a recommendation will be given at an upcoming meeting.

ADJOURNMENT:

On motion of Mr. Griffith, seconded by Mr. Nicely, that the meeting be adjourned at 6:30 p.m. to Thursday, June 25, 2026 at 6:00 p.m. in the Board Room of the Alleghany County Governmental Complex. Motion carried.

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G. Matt Garten
Chairman