

**Public Hearing
Town of Claremont
Sewer System Rate Increase
Minutes
May 28, 2026, at 6:30 pm**

Daryl Graham, Mayor, called the Public Hearing to order to discuss the proposed Sewer System Rate Adjustment, followed by the Pledge of Allegiance.

Council Present: Sue Gilbert, Louise Hansch, Tom Kent and Paul Mauger.

VRWA: Mark Hollyfield – Guest Speaker

Citizens present: Troilen Seward, Kathy Guindon, Bill Hall, Janette Bisbee, Norman & JoAnn Wall, Richard & Amanda Norris, Lorna Cornett, Troy Springer, Chad Knowles, Richard & Cheryl Garrett, Johnny Temple, Bryan Reedy, Sophia & Mary Blair Seward, Genny Padgett, Douglas Goodrich, Larry & Celeste DeBause, Sidney Watkins, Bill & Terrie Foster, and JT Terrell

Daryl Graham opened the meeting and then turned it over to Louise Hansch.

Louise Hansch explained that she is not the water/sewer chairman but in charge of finance and that the sewer budget is expected to be in the red on June 30, 2026. We will need to use all cash reserves to pay the bills for the year. The finance chairman and treasurer have worked with Mr. Mark Hollyfield, a professional financial planner with VRWA, to determine the financial needs for the 2026-2027 fiscal year. Louise then provided a breakdown of some of the expenses the sewer has faced this past fiscal year. The sewer department requires working capital to pay its bills. The water department has loaned the sewer department \$14,000 to meet these needs, which will be paid back by June 30, 2027. We have been working with VRWA to create a long-range business plan for how to maintain the system moving forward. As rates can only be changed once in a fiscal year, it is imperative that we make sure we have the funds to meet the needs of the sewer system. In answer to several questions, we do not know how long this increase will last at this time, and we do not know how quickly the capital reserve account can be built back up. Another question is why lot owners without homes don't have to pay for the system. This was an agreement that was made post Hurricane Isabel and Troilen Seward will speak to that shortly. Louise then introduced Mark Hollyfield with VRWA to speak to financial planning that has taken place.

Mark Hollyfield introduced himself and provided his background. He went over how the VRWA has been working with the Town to review the sewer system and its issues. He discussed the repairs made to pump station #2 and the cost of those repairs. He went over how even the power bill was impacted by the issues with this station and increased the costs for that. He went over how maintenance is required to be performed and that the proposed adjustment in the monthly cost to residents is justified in keeping the sewer system in operation. He discussed the various acts of Virginia General Assembly that pertain to how governments need to work with regards to keeping the funds for each division separate.

Troilen Seward explained how much money was required when the sewer system was being implemented to match the grant funds. At that time each owner that had a lot without a house was asked to pay for a sewer hookup in order to help the Town match the grant funds, and the agreement was made that they would not pay for monthly sewer service until such time as a house was built on the land.

Mayor Graham then opened the hearing up to the residents who signed up to speak.

- Kathryn Guindon spoke against the rate adjustment. She asked questions regarding whether or not educational plans had been presented to users about what not to flush down the system, if we had applied for any grants, who we applied to, and asked about what money had been set aside for repairs.
- Lorna Cornett also spoke about properly educating residents how to use the system.
- Chad Knowles asked whether or not real estate taxes paid by residents on Villa Road could go to help pay for the sewer system. He also asked about outsourcing the system and alternative sewer systems we could look into.
- JT Terrell questioned why seasonal lot owners were being charged full time for use of the system.
- Genny Padgett provided 2 other options that maybe council could look into for the sewer costs. Option #1 applied a 20% increase with a one-time assessment being posed each user of \$98.95 a month or a one-time lump sum of \$750.00. Option 2 was a 20% increase and a twice-yearly assessment of \$400.00 to be charged in maybe October and April.
- Dickie Garrett questioned the seasonal charges when residents were not using the system. Louise Hansch confirmed how our ordinance reads that a year-round charge is incurred once the system is activated for a residence.
- Sidney Watkins feels that all lot owners should have to pay into the system, even if they have no residence. He stated that he feels those property values are increased because the lots have access to sewer. Sue Gilbert clarified that the residents at Claremont Beach had 6 lots paid to put their own sewer lines in.
- Johnny Temple opted not to speak.

Louise Hansch provided a clarification of how the Town is set up with three enterprise zones. That the taxes go to pay the Town's Budget. The income from the water system pays the water budget and the income from the sewer system pays the sewer budget. Mr. Hollyfield repeated how the code of Virginia sets forth how public subdivisions run their balanced budgets and that funds must be kept separate for each enterprise. Tom Kent brought up the possibility of obtaining a ten year note.

Daryl Graham asked if there were any additional questions or concerns. There were none. After no further discussion, Daryl Graham closed the Public Hearing.

*Respectfully submitted,
Laura Crowder, Town Clerk*